

**RESPONDING TO A 'NEW
WORLD'? A QUALITATIVE STUDY
OF CHANGE IN THE VOLUNTARY
AND COMMUNITY SECTOR IN
ENGLAND SINCE 2009**

S NESBIT

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Abstract

This study examines and maps the impact of the UK recession in 2009 to pose the question as to whether this is a 'new world' for the Voluntary and Community Sector (VCS). The research investigates and analyses how the VCS has responded to the recession and a range of austerity measures introduced by the coalition government in 2010, and presents a critique of the responsible Government ideology. The study redefines the voluntary and community sector and considers its importance to and relevance in the provision of services across England. It also considers how funding and political support for the VCS have evolved over the past eight years and whether current challenges facing the sector are entirely new or part of ongoing cycles. The thesis utilises theoretical models drawn from theories of organisational change and behaviour, in addition to employing a Bourdieusian perspective to contextualise and support the author's explanations for the ways in which VCS organisations have responded to the prevailing economic and social policy climate and how their leaders behave in times of stress. During a sustained period of data collection in 2016 to 2017, the study gained direct and personal access to a range of key players working in and with the sector, and through nineteen face-to-face interviews developed a highly detailed and very contemporary perspective on the changing voice and status of the sector. Using thematic analysis, the study proposes a number of specific sustainability strategies emerging from the VCS and makes recommendations for sustaining an active and thriving sector, concluding that it may only now (after eight years) be entering a 'new world'. By undertaking this work, the study provides insights for professionals working in the sector, researchers in the field, and for government officials who shape social policy that inevitably impacts the VCS. In interpreting voices from the sector, this study has learned of the fears faced by many who work in the VCS in attempting to continue, let alone thrive in the current socio-economic climate. It has uncovered why some organisations have survived while others have not. Finally, the conclusions to this study point to a VCS with diminishing voice and influence; increasingly required to fill gaps

in service delivery but less able to thrive in a continuing period of resource scarcity and political ideology.

Keywords

Voluntary and Community Sector, Big Society, field theory, organisational change and leadership, 'new world'.

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Abbreviations

ACEVO	Association of Chief Executives of Voluntary Organisations
BIS	Department for Business Innovation and Skills
BME	Black and Minority Ethnic
CVS	Council for Voluntary Services
DCLG	Department for Communities and Local Government
DCMS	Department for Culture Media and Sport
DWP	Department for Work and Pensions
GDP	Gross Domestic Product
HMT	Her Majesty's Treasury
HR	Human Resources
LGBT	Lesbian, Gay, Bisexual and Transgender
NCVO	National Council for Voluntary Organisations
NHS	National Health Service
NRF	Neighbourhood Renewal Fund
OCS	Office for the Civil Society
ONS	Office for National Statistics
OTS	Office for the Third Sector
PR	Public Relations
SAFs	Strategic Action Fields
SRB	Single Regeneration Budget
TSO	Third Sector Organisation
TTM	Transtheoretical Model
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom
VCS	Voluntary and Community Sector
YH	Yorkshire and the Humber

Chapter One: Introduction

This chapter introduces the reader to the purpose of this study and the research methods it has employed to understand whether a 'new world' has been created in which the Voluntary and Community Sector (VCS) must now operate, and it examines the sustainability strategies those in the sector have developed in order to survive. It outlines the importance of the VCS in society, and against the backdrop of successive governments dealing with the consequences of one of the biggest economic downturns in a generation, the challenges it has faced since the recession was announced on 23rd January 2009.

Context

The VCS is as important to people in this country as the private and public sector (Kendall, 2003). It is as flexible and diverse (Brown, 2005) as it is large and complex (Milbourne, 2013). It can deliver services to those who are most in need and difficult to reach, and supports communities and individuals in ways that the other two sectors find incredibly difficult to do. As one interviewee in this study articulated:

‘...if you have a problem, whatever problem that may be, you are highly unlikely to use as first port of call one of the statutory services. Local authorities can take your kids off you; the health authority can section you; the police can lock you up. You’ve got all these big nasty things that can happen to you, and you get your name on a record somewhere...The VCS doesn’t do that, it uses its responsibility in terms of safeguarding and child protection but it’s, what it tries to do is to support the person to get to a better place, not impose sanctions, which is a perception which people will have of the statutory services.’ (N2, 21st January 2016. Interviewed by SN).

It can mobilise and support those most in need or when a catastrophic event occurs, and 'generate solutions to many of our most concerning social ills' (The Centre for Social Justice, 2013:103). It can act as a voice on behalf of disenfranchised people and is primarily independent (Sloccock, 2017).

Background

Since the coalition government came into power in 2010, its discourse has focused on building a stronger civil society (Cabinet Office, 2010), which continued with the last Conservative government. At the same time, there has been a reduction in direct support to the VCS, which is seen as playing a part in this new ideology but not having ownership (Evers, 2010). Experiencing one of the deepest recessions in a generation (ONS, 2015), VCS organisations are now having to make difficult decisions in order to survive.

Many in the sector have voiced concerns that, due to austerity measures, they have been penalised twice: first by reduced funding from otherwise stable and reliable sources, and second by the growing demand on their services as public services are cut back (Taylor, Parry and Alcock, 2012). However, there is growing evidence that the VCS is diversifying. Whilst many traditionally have used available public sector routes, some in the VCS have changed their approach to try and utilise what they can offer directly whilst generating income so they can remain sustainable (Milbourne, 2013). This study undertakes sociological and policy analysis to understand changing approaches in situ.

The study also investigates whether the current iteration of the sector is seen to be displaying new strategies, or older ones, which owe more to the last century than the last few years and have been reworked for the current situation. (Milbourne, 2013)

Research aims and objectives

The aims of this study are to:

- examine and map what this 'new world' is for the VCS, if it is indeed new. What is the 'new world'? Whose is it, who is it serving, and who is it affecting?
- propose and present sustainability strategies emerging from the VCS.

The study has been carried out by:

- drawing together current research that focuses on how the VCS has reacted and adapted to a shift in policy landscape since the start of 2009, when the recession was formally announced following two quarters of negative growth;
- examining further back in history to see how often this 'new discourse' has emerged, and understand if the sector has faced this before;
- conducting nineteen semi-structured interviews, to gather perspectives from leaders from local and national organisations, and to understand how they are dealing with the emerging challenges;
- using the qualitative voices of those from the VCS to examine how it has developed sustainable strategies in order to fulfil its aims and objectives, or gone down a different path simply to survive.

In Chapter Two: Literature Review, the study defines the VCS and its importance to society, guiding the reader through the historical and political context. It investigates how support for the VCS has changed and examines if this is a 'new world' or a re-tread of past events. Examination of publications, articles and books relating to this area has built up a picture of the years before and after the last recession, and how the VCS has adapted to emerging challenges. The study establishes key themes in the literature review and these form the basis for further discourse during the interviews

and discussion chapters. In order to support the author's contentions of how VCS organisations and leaders react to and cope with shocks such as a major recession, a range of organisational and sociological models and theories are employed to explain different behaviours.

Chapter Three focuses on the research design and justification and the methodology, detailing the methods employed in data collection and analysis and justifying why the particular analytical approach was used in order to meet the aims and objectives of the study.

Chapter Four analyses key themes emerging from nineteen face-to-face interviews undertaken over the course of this study. Through extensive research to identify those with experience in the public and VCS, this study has gathered in-depth qualitative data about how the sector is changing, adapting or facing further uncertainty and potential closure. The study gained unprecedented access to a wide range of professionals from across sectors, thus contributing to this emergent research. Those interviewed included chief executives of local and national VCS organisations, senior managers of front-line organisations, policymakers in government and others who exert influence in voluntary and community settings. The interviews were semi-structured: each interviewee was subject to the same set of pre-determined questions and formulaic approach so as to minimise bias, but were explored through open discussion (Silverman, 2004).

Chapter Five forms the discussion of the key findings analysed in the previous chapter: the study argues whether this is a 'new world' for the VCS, and brings together some of the sustainable strategies adopted by the VCS. The study returns to the theories raised in the methodology to explain how those in the VCS were facing up to the demands created by a changing economic and political landscape.

Finally, Chapter Six concludes with drawing together and summarising the key findings. It presents recommendations, thus meeting the objectives of

the thesis. It also offers some initial thoughts to the future as a new minority Conservative government was elected on 9th June 2017.

Value and impact of this research

This is emergent research in a key sector of service delivery and voice and representation; there are significant ramifications for both service users and communities if organisations close without new ones appearing in their place. This study is therefore important to a number of audiences. For policy makers in government, statutory services and commissioners, it offers insight into how the recession and resulting policies have created challenge and uncertainty for the sector. For the VCS, it highlights a number of strategies organisations have employed in order to survive, and in some cases thrive. It presents organisational models and sociological theories that explain how people act when faced with 'shocks' such as recession or austerity measures. Finally, for those new to the sector, this research will help to better equip them to deal with future economic and policy challenges.

Qualitative methods were employed to conduct original primary research deemed necessary to understand the issues faced by, and the survival strategies developed by, organisations. The face to face interviews enabled those affected by the austerity processes to give their perspectives to the researcher, who was able to record the words of VCS employees and leaders and to discover the key issues faced by those responsible for implementing change. This process has shed light on why those in the sector selected certain routes to sustainability above others. By gaining direct and personal access to a range of professionals in the public, private and voluntary and community sectors, the study gained unique insights to enrich this important research.

Chapter Two: Literature Review

Introduction

This chapter examines the historical and political context behind a possible 'new world' for the Voluntary and Community Sector (VCS), and how some of its features might make some see this as a 'new world' for them. It explains what the VCS is and why it is so important, the key events that have helped to shape and define it, and pinpoints recent events which have affected the sector. The study establishes key themes in the literature review and these form the basis for further discourse during the interviews and discussion chapters. This chapter employs a Bourdieusian approach in examining how VCS organisations behave in times of stress such as economic shocks, and the role organisational leadership plays in developing coping strategies.

Defining the players

The VCS is a large, diverse and complex array of organisations and groups (Kendall, 2003; Brown, 2005; Packham, 2008) whose roles include: delivering services to or directly helping those who need it; infrastructure support to other organisations; philanthropic activities; and, campaigning for changes in policy for the benefit of society and the public (Knight, 1993). Policy makers, for example the Cabinet Office (2010) and charitable bodies such as National Council for Voluntary Organisations (2012) have framed and defined the sector in a number of different ways such that the present study has adopted the following terms as best fitting these objectives (Milbourne, 2013).

Voluntary and Community Sector, Third Sector or Civil Society Organisations?

There have been a variety of terms used for the Voluntary and Community Sector, Civil Society organisations, or the Third Sector (Goldstraw, 2016). Even the purpose, role and function is subject to debate:

'...definitions of voluntary organisations are contested, and the boundaries of the sector cannot be drawn with confidence...' (Davis Smith, Rochester and Hedley, 1995:2).

Milbourne (2013:5) explains how difficult it is to give a universal agreed term to the sector:

'The question of defining and naming a sector is disputed ground, with debates swayed by cultural and political legacies, ideological differences and arising from different national contexts'.

Even within UK Government literature and policy, there is no definitive term, as the following demonstrates. A range of UK policy documents in the 1990s by the Labour government differed in how they named the VCS, referring to 'voluntary sector' (Labour Party, 1997), 'voluntary and community sector' (Home Office, 1998) and to 'third sector' (HM Treasury, 2007). 'New Labour' announced a new 'Office of the Third Sector' in 2006 which was part of the Cabinet Office and signalled a renewed commitment to the sector (Alcock, 2010). The 'third sector' would include social enterprises, community and faith based organisations and charities. (Hogg and Baines, 2011). Corry (2010) points out that naming the 'third sector' as something associated with the state and private sectors calls into question the whole issue of regulations and planning, as by its very nature it is independent, value driven and voluntary.

'...the term 'third' itself betrays the idea of the third sector as a residual category for things that do not fit into the two other 'primary' and 'secondary' categories – usually the state and the market.' (Corry, 2010: 11)

As the coalition government was formed, the newly created Office for Civil Society (OCS) published a strategy paper – 'Building a Stronger Civil

Society' (Office for Civil Society, 2010b) – referring to a VCS that would include charities, social enterprises and the voluntary and community organisations, and introducing the term 'civil society organisations'. This seems to share the same ground as Labour's use of 'third sector'. Yet in its report on the civil society, the Carnegie Trust (2010) defined civil society as more than a sector.

'We have defined civil society as a goal to aim for (a good society), a means to achieve it (including the myriad of civil society associations such as faith-based organisations, trades unions, voluntary and community organisations, cooperatives, mutuals and informal citizen groups), and the spaces and places where people deliberate on both ends and means (the public sphere).' (Carnegie Trust, 2010:12)

Three years later, a report (Department for Business Innovation and Skills, 2013) concluded that the 'Third Sector' (note that this department still chose the term 'third sector') should encompass voluntary and community organisations, co-operatives and social enterprises. The report differentiated between these and other organisations such as higher education institutions which were seen as belonging to the 'civil society' category. As recently as October 2015, officials from the Cabinet Office's OCS refer to the 'Voluntary, Community and Social Enterprise Sector' (Cabinet Office 2015).

This study has taken into account diverse commentators' views against the backdrop of the changing policy contexts throughout thirty years, and examined different definitions of the voluntary and community sector, or third sector, and found that it is used in ways that benefit the purpose and scope of the particular article, research or mapping activity. Kendall and Knapp (1995) described the sector as 'a loose and baggy monster' and of its categorising or terminology stated that 'there is no single 'correct' definition which can or should be uniquely applied in all circumstances' (Kendall and Knapp, 1995:65). Corry (2010:11) argues that it 'is by nature unsuited to singular definitions' and refers to a whole range of groups including local networks, clubs and self-help groups as well as those highlighted earlier.

This illustrates the limitations of a universal term. To call a sector 'third' has connotations of co-ordination, integration and collaboration between and within it, and is simplistically labelled as an addition to the other two sectors: the private and the public (Corry, 2011). The same could be argued with the term 'civil society', a term which could remove those organisations and groups which would not wish to align themselves to others and may even be diametrically opposed. In such cases their own ethos may not fit current political or social rhetoric and would want the freedom to exercise their voice which is not necessarily representative (Kaldor, 2003). For the purposes of this study and for ease of understanding, the term 'voluntary and community sector' or 'VCS' will be used as it is widely understood by most commentators to be independent, 'value driven, ... [and who invest their resources] ... to further social, environmental and cultural objectives' (London borough of Hounslow, 2015; Sandwell, 2015; Doncaster CVS, no date).

Simply put, the VCS is:

'...an inclusive term for both charities and charitable organisations...which undertake work of benefit to society. Many organisations employ staff to undertake a wide range of activities and many are of the size and stature of successful medium-sized businesses, although operating independently for the public good without distributing profit'. (Voluntary Organisations Development Agency, 2014:1)

However, by using the term 'voluntary and community sector' as the preferred term here, the study is not making a claim that it should be adopted elsewhere, particularly where other studies may have a different focus and aims.

Her Majesty's Government

The focus of this study is on successive governments in the United Kingdom and specifically England, due to the establishment of separate Scottish, Welsh and Northern Irish administrations in 1998 (Cabinet Office, 2013) which have each developed their own policy around the VCS. The research traces back to 1987 when the Conservatives entered their third term of Government and embarked on a radical policy of social reform. This is so the study can compare policy thinking and discourse over the last 30 years and try to ascertain whether this really is 'a new world' for the VCS. The study covers the introduction of key departmental offices such as the Social Exclusion Unit, Office of the Third Sector (OTS) and the Office for the Civil Society (OCS), which were instrumental in shaping policy that directly affected the VCS.

Local Authorities

Local authorities are a major source of funding for the VCS, although there has been a shift from grants to contracts over the last few years. A local authority in the UK is designed to provide services to the local population and since the Local Government Act in 2000, have a duty for the economic, social and environmental 'wellbeing' of their area'. (LG Group, 2011:2). Many parts of the country have one (unitary) tier of local government although there are still a number which have two tiers, consisting of county councils and district, borough or city councils. (HM Government, no date).

Policy and Ideology

Putting things in perspective. The growth of the VCS

People in Britain have been volunteering, or involved in mutual aid and/or philanthropy for hundreds of years: 'the roots of voluntary action in Britain can be traced back at least as far as the sixteenth century, and possibly much earlier' (Davis Smith 1995:9). Kendall and Knapp (1996) point to the Tudor period of guilds and latterly to charitable trusts as we may recognise

them today, demonstrating how voluntary action has been important across time periods. According to Owen (1964), the late seventeenth century saw the beginnings of what was known as the voluntary association, usually supported by several philanthropists, and which has more in common with today's organisations.

Exploring whether this is a 'new world' for the VCS today, it is worth noting that whilst the rise of food banks in the UK to help those most in need is a relatively recent phenomenon (Downing, Kennedy and Fell, 2014), the idea of voluntary based organisations helping those in acute need resonates back to the times of the industrial revolution in the nineteenth century. By tracing back in history, it is clear that voluntary organisations were seen as providers of services with very little input from the state (Alcock, 2010). Eventually, there was some state provision, e.g. through the Poor Law Amendment Act in 1934 which was designed to create a role for central government in caring for the poor (The National Archives, no date). However, as the population, urbanisation and industrialisation continued to grow, so did the numbers requiring support so there was a rapid growth of voluntary associations, Friendly Societies, trade unions and charities to provide help (Davis et al. 1995).

According to Pugh (1984), it was not until towards the end of the nineteenth century, when a new society – The Fabian Society – was founded and immediately focused on a range of acute social problems and inequalities that industrialisation had created, and 'campaigned for the introduction of social protection through the state to combat these'. (Alcock, May and Rowlingson, 2008:6). Challenging the established thinking that economic policy alone could lift people out of poverty and help all, in 1905, the Liberal Government commissioned a further review of the Poor Laws, by a Royal Commission. It produced two reports: the first 'minority' report stating the state is chiefly responsible for introducing and implementing policy reform; the second 'Majority' report advocated a pivotal role for voluntary support. This would be the start of a new relationship between government and the voluntary sector around provision for those in need.

'This debate about the balance between state and non-state provision of welfare continued to influence the development of social policy throughout the rest of the twentieth century.' (Alcock et al. 2008:7)

Alcock (2010) argues that in the twentieth century, much of the welfare state reforms meant that voluntary action moved from complementary to supplementary support. Commentators noted that as the state's responsibility for welfare provision continued to grow, so did the number of campaigning groups.

'This resurgence of community developments, which coincided with emerging social justice and anti-poverty movements worldwide, reflected the failure of the post-war welfare state to eliminate widespread social problems.' (Milbourne, 2013:29)

Organisations such as Shelter and Child Poverty Action Group, seeing how the welfare state was not able to eradicate poverty in 1960s Britain, came to the fore and 'challenged the parameters of the relationship between government and the established voluntary organisations' (Crowson, 2011:492). This is an important aspect to an independent VCS; its ability to campaign and challenge, to be a voice and not be forever in deference to its funders.

Locally, most areas already had voluntary sector organisations that would look after the interests of smaller groups, but they would also be strong campaigners, acting as a voice or in some cases representatives on behalf of the sector. Gladstone (1995) refers to them as 'intermediary agencies' or 'umbrella bodies'. The government recognised their importance and was prepared to support the sector. This would in turn would create a tricky balancing act for those in the sector.

'The period also witnessed the rise of a new wave of service providers whose activities included not only casework but also campaigning. From the early 1970s, direct government funding for the voluntary sector began to increase rapidly, particularly with funding from the Home Office's Voluntary Service Unit (VSU). For the 'umbrella groups', which the 1979 Wolfenden report identified as crucial to the sector's future development, this made the challenge of balancing their members' needs with the ideological commitments of local and national government all the more daunting.' (Crowson, 2011:492)

Indeed, because of a large re-organisation of local government in 1974 (Local Government Act 1974), these intermediary agencies needed to cover larger local authority areas and hence the increase of size and importance of Councils for Voluntary Services and Voluntary Action organisations.

Whilst the VCS developed and grew into types and forms which has helped shaped the modern sector, this study is concerned with whether since 2009 this is a 'new world'. The study has examined parallels between the then coalition government (2010-2015) and the following Conservative government (2015-2017), and earlier governments whose policies and ideologies were set on reducing state support for social welfare, whilst proclaiming the VCS as crucial to the delivery of services in key social areas (Osbourne and McLaughlin, 2004). Table 2.1 charts the development of the VCS.

Table 2.1: Key dates in history charting the development of the VCS

Key Dates in History charting the development of the Voluntary and Community Sector		
1485-1603	Tudor period	Prominence of guilds and charitable trusts (Kendall and Knapp, 1996).
1603-1714	Stuart period	The rise of voluntary associations - late 1600s (Owen, 1964).
c1760-1860	The industrial revolution	The rise of charities, friendly societies and trade unions (Davis et al. 1995).
1834	Poor Law Amendment Act	Voluntary organisations helped those not employed or in workhouses (Davis et al. 1995).
1853	The Charitable Trusts Act	The creation of the Charity Commission (The National Archives, no date)
1884	Fabian Society founded	Committed to political change in Britain (The Fabian Society, no date)
1905	The 'minority' and 'majority' reports	The 'majority' report advocated a key role for the voluntary sector in welfare reform (Pugh, 1984)
1945-	Introduction of the welfare state	Changing the role of the voluntary sector from 'complementary to supplementary support for those in need (Alcock, 2010)
1960s/1970s	The rise of campaigning groups	Many traditional organisations grew campaigning arms, some in response to the welfare state failure to address social problems. (Milbourne, 2013)
1979-1992	Three consecutive Conservative governments	Government stated it should no longer be a universal provider of welfare, opening this out to the private sector and VCS (Conservative Manifestos 1979, 1983).
1993	Single Regeneration Budget (SRB)	Following the introduction of City Challenge in 1991, SRB was set up to draw together a number of programmes to support large scale regeneration initiatives at local level (Ward, 1997)
1996	Commission of the Future of the Voluntary Sector	Key document commissioned by National Council for Voluntary Organisations and led by Nicholas Deakin (Deakin Commission, 1996)
1997-2001	Labour government	The launch of the Compact (Home Office, 1998); further investment in regeneration including neighbourhood renewal; capacity building for the VCS (Alcock, 2010)
2003/2006	Futurebuilders and Capacitybuilders	A fund designed to invest for those organisations in the VCS who were delivering public services. Followed by Capacitybuilders in 2006 who ran the ChangeUp programme (Macmillan, 2011).
2006	Launch of the Office of the Third Sector	Created to signal a renewed commitment to the VCS (Alcock, 2010)
2008	The 'Recession Summit'	Organised by national VCS infrastructure organisations and Office of the Third Sector (Taylor et al. 2012).
2009	'Real Help for Communities: Volunteers, Charities and Social Enterprises'	Known later as the 'action plan', it pledged financial and non-financial social support to the VCS and those who rely on the sector (Cabinet Office, 2009).
2010	The coalition government (2010-2015)	A new rhetoric. The introduction of the 'Big Society', localism and moving the responsibility of welfare from government to the individual (Dayson and Well, 2013).
2010	Launch of the Office for Civil Society	Launch of 'Supporting a Stronger Civil Society' consultation which signalled a change in the way Government wanted the sector to play a role in civil society (Cabinet Office 2010).
2010-2015	Spending rounds	Significant reductions in public spending and support to local authorities. A reduction in grant funding to the VCS (Institute for Fiscal Studies, 2015).
2015	New Conservative government	Continued public spending reductions (Osbourne, 2015).

The VCS in the 1980s: neoliberalism and rolling back the state

Neoliberalism was first coined by economists in post-World War 1 Germany (Boas and Gans-Morse, 2009) and commonly reflects US and British policy implemented throughout the 1980s (Reagan; Thatcher and others), and 1990s (Clinton; Blair), although no political leader formally used the term (Steger and Roy, 2010). Simply, neoliberalism advocates individual needs as opposed to collective or public interests (Goldstraw, 2016), and supports reduced government intervention in areas such as business whilst maximising free trade opportunities with the market governing itself, primarily based on consumer need/ desire (Cahill 2012). This 'laissez faire' approach to economic decision making is largely, though not exclusively, the arena of the right wing political agenda.

'...a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.' (Harvey, 2005:2)

Such a neoliberal doctrine has created funding models which are in sharp contrast to the ideals that the VCS traditionally holds (Milbourne and Cushman, 2013). Whitfield (2014) argues that it can create vulnerability within the sector and as the private sector start to deliver government services, many in the VCS has become 'professionalised' so they can compete. According to Bubb (2007), it is feasible to remain independent and still work with the state.

'The debate on 'independence', stirred unhelpfully by inaccurate reporting and discussion of a Charity Commission survey has, however, further highlighted the need for professionalism. It has been acevo's [Association of Chief Executives of Voluntary Organisations] contention that, properly managed, sector engagement with a democratically

elected state is not only compatible with organisation mission but enhances it.' (Bubb, 2007:7)

Whitfield (2014) talks of the language changing to suit the marketplace with terms such as 'competition', and 'offer' whilst business practice replaces public service principles and values. Through 'contract culture', it is argued that the VCS's role in advocacy and voice is no longer able to have a significant effect in society.

'A degree of collusion with the state has emerged in that participation in markets and procurement exercises means that the financial viability of VSGs [Voluntary Services Groups] is directly linked to winning contracts. Therefore, they are unlikely to challenge government policy except to maintain and/ or increase the scale of services subject to procurement.' (Whitfield, 2014:12)

The 1979 Conservative government made clear in its manifesto that the state's role in service provision and social welfare should be reduced (Conservative Party, 1979). Osbourne and McLaughlin (2004) remarked that the Conservative government saw voluntary and community organisations playing an increasing part in service provision, whilst at the same time maintaining ownership in policy making. The Conservative Party's General Election Manifesto of 1983 stated: 'Conservatives reject Labour's contention that the State can and should do everything' (Conservative Party, 1983:15). The Conservative Party saw the VCS becoming a key player with roles across a number of areas including health and social care: 'We also welcome the vital contribution made by voluntary organisations in the social services' (Conservative Party, 1983:15). It began to accelerate its programme of reducing public spending, particularly around social security. Lewis (2005) commented that in the 1980s the Government saw voluntary organisations as another route of providing various social services.

In its third consecutive term of office in 1987, the Conservative government set about wide-ranging social policy reform, the 'most important of which is the fundamental change in the role of the state. Direct service delivery is no longer to be the responsibility of public bureaucracies.' (Deakin, 1995:59). The VCS had to compete for the opportunity of delivering services, alongside the private sector. The move from grants to contracts meant a major change in how the VCS would be funded.

With responsibility of delivering services shifting from government to other providers (and the introduction of bodies such as trusts to deliver), the traditional route of using local authorities was no longer the preferred choice, a blow to those in the VCS who were directly funded by councils. In an abridged publication (Crowson, Hilton and McKay, 2011:499) of a witness seminar, Nicholas Deakin said:

'Within this context the government's repeated stress was on individual empowerment ending the so-called dependency culture. It seems to me the Conservative government's general dislike of the organised professional voluntary sector (which was seen as an expression of producer interests) links to its general antipathy towards the local statutory sector.'

Government support would be made available if organisations were able to conform to the policies of the day. At the same seminar, Deakin continues:

'...the terms of trade with government were extremely one sided and there were chronic insecurities generated by frequent switches of programmes and policy emphasis. This often seemed to those at the receiving end like an attempt to constrain the organised sector to a programme delivery role, excluding policy dialogue and campaigning.' (Crowson et al. 2011: 499)

Deakin (1995) notes how the larger voluntary sector organisations began to think like its competitors such as those from the private sector by introducing

mission statements, annual reports and redesigning their image. For those parts of the sector who have direct interest it can make sense to do this, but does not fit with those campaigning bodies and those who are seen as a 'voice' for the sector.

Taylor et al. (2012) traced back to the 1990s when the Government championed the voluntary sector as highly credible to deliver welfare services, and those involved in policy making were engaging with the sector more readily. Towards the end of the Conservative's tenure, National Council for Voluntary Organisations (NCVO) set up an independent commission, led by Nicholas Deakin, which would deliver a vision for the sector over the next ten years (Deakin Commission, 1996). Published in July 1996, Dunn (2000:147) noted that:

'...the Report's overall theme was that regulation of the sector should develop on inclusive lines, and that voluntary organisations should be allowed to be an innovative force in society.'

The Report highlighted the importance of an independent sector that could contribute to the democratic process, act on behalf of smaller voluntary and community groups, and be a key provider of public services (Deakin Commission, 1996). There were sixty-one key recommendations including the desire to develop a 'concordat' between the state and the voluntary sector. The Government did not take this up, and it was only after Labour was elected in 1997 that the idea of a concordat – a Compact, was introduced (Home Office, 1998).

1997: a new Labour government and new partnership arrangements

The thesis poses the question of whether it is a 'new world' for the VCS. It has examined previous events and governments to see if there are any similarities to the recent events that have affected the VCS, or if other significant changes could be deemed a 'new world'. After eighteen years of four consecutive Conservative governments, 'New Labour' came to power,

and with it a new discourse around the VCS, a proliferation of policies and regeneration schemes, and a new focus on the role of voluntary action, even resulting in a change in name to the 'third sector' (Alcock, 2010).

The New Labour government introduced the 'third way' for public policy planning brought opportunities for the VCS to be part of the market/ state mix for improved service delivery (Alcock, 2010). Commentators have pointed out that New Labour's commitment to public service reform, something which the VCS would play a role in, turned out to be a continuation of market solutions to public sector issues, introducing 'a public sector reform programme with a strong neoliberal influence' (Davies, 2011:19). This support for a free market approach to services (Steger and Roy, 2010) meant that for the VCS to deliver commissioned public services, many needed to become more professional in approach, understanding how to successfully bid for contracts and compete against the private sector.

The government talked of a 'partnership' approach with the sector whilst recognising the independence of the voluntary organisations it encompasses (Lewis, 2005). To help cement this new partnership approach, Labour returned to the recommendations from the Deakin Commission report, and specifically that a 'concordat' between government and the Voluntary Sector would help clarify both the relationship and respective roles they play, with the government respecting the sector's independence and can still be providers of services. In return, the VCS promised to:

'respect confidentiality, consult their members' views before presenting cases to government, to communicate accurately their members' views, to remain accountable, and to respect the legal restraints on political activities'. (Dunn, 2000:150)

This concordat - the 'Compact', was launched in 1998 (Home Office, 1998) and whilst it was broadly welcomed, there were doubters.

'... it is more difficult to assess how far the broader aim of democratic renewal, involving a more equal role in policy-shaping – something sought by the voluntary sector (Unwin, 2003) – has been achieved.'
(Lewis, 2005:122)

Others argued that because the Compact was not a legally binding contract, it would fail if both parties who signed up to it would not adhere to its principles or be willing to engage (Alcock, 2010). However, another commentator held a different view.

'...the 'Compact' idea and its offshoots were completely without precedent in this country or elsewhere, and represent an unparalleled step change in the positioning of the voluntary sector in public policy'.
(Kendall, 2003: 46)

Even with reservations from some commentators, the Compact became a driver for government to enhance its relationship with the sector, redressing 'the balance between the old instrumentality and the desire for independence, and in doing so acknowledged the mediating role of voluntary organisations in modern welfare states as campaigning organisations.'
(Lewis, 2005:123)

Within departments, there were dedicated teams and units supporting the VCS: the Voluntary Services Unit was replaced by the Active Community Unit (and later the Civil Renewal Unit) in the Home Office; the Social Exclusion Unit in Cabinet Office (later to become Office of the Third Sector and then Office for Civil Society); a new Charity and Third Sector Finance Unit set up in the Treasury in 2006 (Alcock, 2010) and even a dedicated team to the VCS and communities in the then Department for Education and Employment (Duncan and Thomas, 2001). The government undertook a review of the VCS in delivering public services (HM Treasury, 2002) and noted that the sector's infrastructure had developed somewhat piecemeal and that coverage was patchy, not helped by duplication and gaps (Third

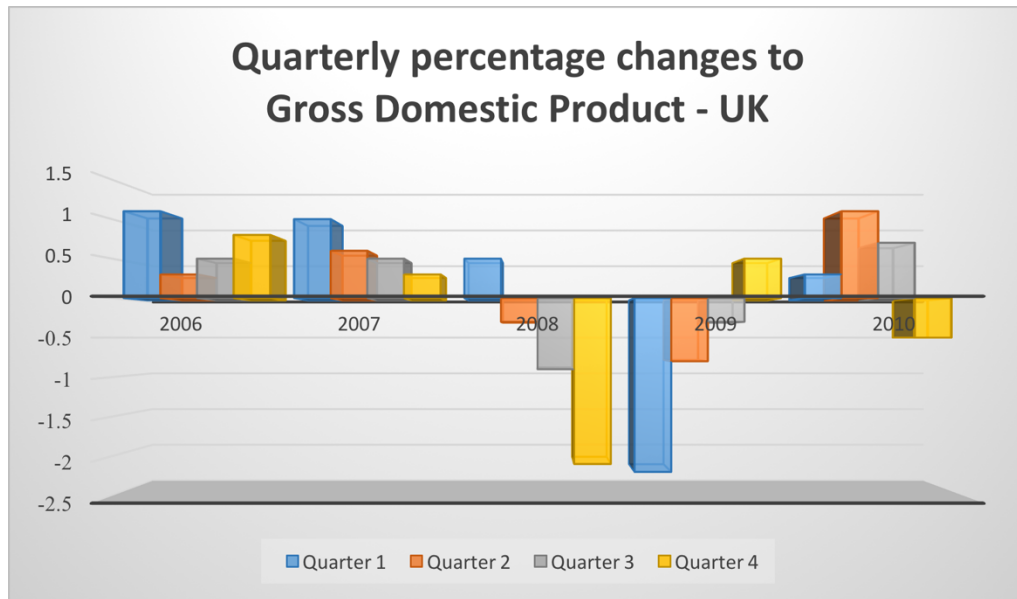
Sector Research Centre, 2009). This paved the way for large-scale funded programmes such as Futurebuilders, Capacitybuilders and ChangeUp, designed to build the capacity and capability of a range of VCS organisations whether delivering frontline services or infrastructure support (Macmillan, 2011).

Labour government's discourse around the importance of VCS continued in its third term of office. In 2007, the government published its 'third sector review' report which set out how the sector could continue to grow and play an important role as a key partner and deliverer of services. Prime Minister Gordon Brown said 'a successful modern democracy needs at its heart a thriving and diverse third sector' (HM Treasury and Cabinet Office, 2007:3).

The recession

The official start of the recession was reported by media outlets on 23rd January 2009 (BBC News; The Guardian; The Telegraph). Based on a report from the Office of National Statistics (Campos, Dent, Fry and Reid, 2011), commentators stated that the economy had shrunk for a second successive quarter during 2008 Q2 and Q3 (ONS, 2015). The recession lasted for six quarters (see figure 2.1 below). Globally, the World Bank predicted that in March 2009, the world's economy would shrink for the first time since World War Two (Steger and Roy, 2010), and was coined as 'the great recession' (Rampell, 2009).

Figure 2.1: UK Recession – based on quarterly changes to Gross Domestic Product



Source: Adapted (ONS 2015) Office for National Statistics' quarterly national accounts.

Taylor et al. (2012) observed that many in the VCS believed that the recession could trigger a reduction in funding and support, particularly from local and central government. This followed Alcock's observations below.

'The ability of government to sustain such support in the aftermath of the severe economic recession of 2008 to 2009 will be open to question, whichever party takes in power after the summer of 2010. Whilst political support for partnership may be broad and deep therefore, economic support for an expanding process of engagement and support may be hard to deliver – and without this the unified discourses of partnership may fragment into competition within the sector...' (Alcock, 2010:15)

Some chose to ignore the potential impacts of future funding shortfalls although others decided to act and a 'recession summit' (Taylor et al., 2012) was organised along with the OTS for late 2008. The summit was an opportunity for both the government and the sector to work out the best way to manage the recession's impact. After further consultation, the Labour government produced its 'Real Help for Communities: Volunteers, Charities

and Social Enterprises'. (Office of the Third Sector, 2009). The plan would bring with it £42.5m funding and focus on a number of themes including: modernising the sector; improving commissioning; meeting demand for public services; addressing income shortfalls; the role of social enterprise, and helping to build social capital. As there was a lack of empirical evidence on how the recession was impacting, the plan was developed on views from the recession summit and the government's own agenda. With only anecdotal evidence of some organisations being more affected than others, early worries were replaced by more balanced views.

'The crisis rhetoric which had characterised earlier reporting was, without systematic evidence of negative impacts, becoming hard to sustain. The notion of a 'mixed picture', the idea that the recession was impacting differently on different parts of the sector, provided a more measured and nuanced language for talking about the effects of the recession.' (Taylor et al. 2012:12)

Meanwhile in opposition, the Conservative Party's 'Big Society' was a name coined to refer to the role that voluntary action and social enterprise would play to 'mend our broken society'. (Conservative Party, 2010:37). This was about transferring power from the state to people and the communities they lived in: the party's alternative to 'big government'. 'Big Society' and the ideology associated with it would become more prominent when the Conservatives formed a coalition government with the Liberal Democrats in May 2010.

2010 and a Coalition government: New discourse and less money

In the United Kingdom, the Conservative/Liberal Democrat coalition government commenced with a new discourse focusing on building a stronger civil society (Office for Civil Society, 2010a). The VCS would play a part in the new discourse, but would not have ownership of, or responsibility for shaping this (Evers, 2010). Many in the VCS found itself facing new challenges. There was a mix of reluctance to understand the new agenda, an

attempt to deal with the different environment they would soon be operating in, and some who were not affected at all. (Macmillan, Taylor, Arvidson, Soteri-Proctor and Teasdale, 2013)

In 'The coalition: our programme for Government' (HM Government, 2010), the coalition government set out seven key statements which it believed would harness a strong civil society in facing and addressing amongst other things, the social and economic challenges which are prevalent in 2010. Under the heading of 'Social Action' the rhetoric signalled a shift in the support from Government to 'social responsibility', 'localism' and the introduction of 'Big Society' that moved responsibility of the provision of welfare and support from the state to the individual (Dayson and Well, 2013). Some viewed the principles underpinning the Big Society as a game changer (Blond, 2009) whilst others thought it a 'passing fad' (Alcock, 2015:125). As more literature has been published on Big Society over the last few years, it has created fierce debate (Ishkanian and Szreter, 2012) with early support from commentators such as Evans (2011) has turned to indifference charted by Macmillan (2013).

The Cabinet Office's OCS, replacing OTS, was the new government team responsible for voluntary organisations, charities and social enterprises (Mair, 2010). A consultation document was produced (Office for Civil Society, 2010a) which set out the Big Society agenda and clarified the concept of the civil society. Three key elements to the new agenda highlighted in the document were: promoting social action (people looking for opportunities to make a difference); empowering local communities (to bid for local contracts and run community assets); and opening up public sector contracts (so that VCS organisations can have a greater role). Within the section, 'Principle of Reform', the Government set out its ambition.

'Currently the sector receives support from a wide range of organisations and funding streams and we believe the landscape is too confusing and centrally driven. Therefore, the purpose of this document is to find out what types of support would be most helpful to you and

how the Government can help improve local relationships, support mentoring schemes, and facilitate the sharing of skills and experience within the sector.' (Office for Civil Society, 2010a:7)

The consultation explored what the OCS could do to make sure that 'civil society has the advice, support and influence it needs to build the Big Society in England.' (Office for Civil Society, 2010a:7). As well as easier access to advice and direct support to help build the skills of frontline organisations, the consultation also encouraged better public sector partnerships: the role of infrastructure organisations being the link between public sector and civil society in decision-making, designing and delivering services and supporting the voices of those who use them. The government stated it wished to consolidate the VCS's infrastructure but by maximising 'economies of scale' (Office for Civil Society, 2010a:10), e.g. merging and sharing of back office functions. The Government could give up-front support to those wishing to rationalise with merger or substantial collaboration. Macmillan (2011) considered whether this is new; the previous Labour government's intentions were similar in outlook to the coalition's, in the wake of the recession that administration also discussed sharing services, offices and mergers. This suggests the growth of the sector is not necessarily straightforward and that some rebalancing and change is needed; accordingly, there may be overlaps and more prioritisation.

Macmillan (2011:116) argues that the 'idea of 'support' should be viewed with some ambivalence'. He highlighted that the Government had a particular type of sector in mind it sees supporting, so is already laying the foundation for it to adapt and change; 'to be more business-like, entrepreneurial and better governed' (Macmillan, 2011:122). There was a change from government grant funding to commissioning (Bagwell, 2015) and new initiatives such as social impact bonds that were described as 'payment by results contracts that leverage social investment to cover the up-front expenditure associated with welfare services' (Edmiston and Nicholls, 2017:1). The Big Society Capital (originally the 'Big Society Bank') was

launched in 2011 with the aim of supporting 'the growth of a market for social investment in the UK.' (Cabinet Office, 2011:1)

Meanwhile, the Compact, first introduced jointly by the Labour government and the VCS (Home Office, 1998), was re-set in 2010 by the coalition government in conjunction with Compact Voice (Cabinet Office, 2010). This 'partnership' approach, a cornerstone of the Compact, continued although some of the language changed. The terms 'Civil Society' and 'building the Big Society' are introduced, with the 'Third Sector' replaced with the 'civil society organisations' (Cabinet Office, 2010:6). Leading figures from national VCS organisations all signed up to a statement of support for the refreshed Compact (Compact Voice, 2010).

Austerity and the continued growth of the VCS

The study has examined how the coalition government (2010-15) and the following Conservative government (2015-2017) reduced spending levels in those departments which have directly or indirectly funded the VCS. Table 2.2 is an extract from a report from the Institute for Fiscal Studies and demonstrates that the largest reductions in funding fell on the Department of Communities and Local Government (DCLG), the Department of Work and Pensions (DWP), the Department for Culture, Media and Sport (DCMS) and the Home Office, all major contributors to the VCS.

Table 2.2: Extract of Institute for Fiscal Studies analysis of public spending: 2010 - 2015

Department	<i>Real-terms cut (%)</i>	
	2010-11 to 2015-16	
All		-9.6
NHS (Health)		6.6
Cabinet Office		-2.8
Education		-6.7
Home Office		-24.7
Culture, Media and Sport		-28.5
DWP		-34.0
DCLG		-51.0

Source: 2015 The Institute for Fiscal Studies

Even in a continued period of austerity, there is growing evidence that the number of VCS organisations are rising year-on-year. The latest National Council for Voluntary Organisations (NCVO) UK Civil Society Almanac was published in May 2017. Focusing on voluntary organisations and drawing on data from 2013/14 financial year (except for data on general charities which is 2014/15), it claims that the sector continues to grow (NCVO, 2017). According to the Almanac, and based on previous figures from the Charity Commission there were 165,801 VCS organisations in the UK in 2014/15. This is an increase of 5,756 VCS organisations in the UK from 2012/13 (The Charity Commission, 2013; NCVO almanac 2015). Around a fifth of these organisations are involved in social service provision, which is the largest single area of spend. This is followed by culture and recreation. In 2013/14, there was also an increase in the number of large charities with income of over £100m (42), more significant when compared to 2007/08 (26).

This does not take into account the number of smaller community organisations. Hunter, Cox and Round (2016:3) highlight 'micro-organisations' (those with income of less than £25,000) make up 'over 60 per cent of all voluntary sector organisations'. Some groups are informal and

many do not even register. Therefore, there are no other reliable figures for a definitive number of VCS organisations. In 2010, the Carnegie Trust produced a report into the future of civil society, and estimated there were around 870,000 formal civil society associations operating within the UK. This did not include 'the thousands of informal community groups that do anything from improving public spaces to campaigning for fee-free cashpoints.' (Carnegie Trust, 2010:6). The VCS supports volunteering and in the ONS (2013) estimated that this area contributes £23.9 billion (or 1.5%) of national Gross Domestic Product (Jones et al. 2015).

The Contemporary Situation

In the run-up to the general election in May 2015, the Conservative Party manifesto (2015) re-stated its commitment to making sure the VCS played a key role in delivering public services. It highlighted the need for increased volunteering and social action, whilst the Big Society, far from receding into the distance, had a full section dedicated to it (Conservative Party Manifesto, 2015:45).

Once elected, the Conservative government continued with austerity measures and in his summer budget, the previous Chancellor vowed to turn the current deficit into surplus by 2020 (Osbourne, 2015). The following Chancellor Philip Hammond changed this forecast after the European referendum on 23rd June 2016. Less than one month later, the Office for Civil Society formally transferred from the Cabinet Office to the Department for Culture Media and Sport (Weakley, 2016), bringing together a number of functions including lottery providers' sponsorship responsibilities.

Much of the earlier neoliberal ideology continues today, with echoes from previous governments (Harvey, 2005). The coalition and the following Conservative government (2015-17) have repeated their calls for the VCS to compete with private sector organisations and this is inevitable through reduction of state intervention (Whitfield, 2014). Hunter et al. (2016:4) state:

'the nature of public service delivery has changed significantly, with a shift towards the use of competitive commissioning models in which all types of provider compete to deliver public services.'

The evidence found through this literature points to this, with many VCS organisations having to adopt business practices of its private sector competitors to win contracts around public service delivery.

'In the current economic, political and ideological context, such policy changes may be understood as a means through which to redefine TSOs' [Third Sector Organisations] role from mutual aid and community self-help towards a tool of the state and the market.' (Bennett, E., Langmead, K. and Archer, T, 2015:100)

The literature review has so far concentrated on the effect Government ideology and policy has on the voluntary and community sector, and in the next section the study will focus on how the VCS reacted and viewed this new relationship with the state, and other organisations in the sector.

Reaction to the 'new world'

Taylor et al. (2012) pointed to the start of 2009 when some organisations halted their strategic approach to their development. There were redundancies reported in the sector, although this has to be taken in comparison to a rise in numbers of people entering the sector in previous years (NCVO, 2015). Taylor et al. (2012) noted concerns from the sector that due to austerity measures, they have been penalised twice: first by reduced funding from otherwise stable and reliable sources, and second by the growing demand on their services as public services are cut back. The Centre for Social Justice (2013:3) stated:

'despite receiving political support, and despite some promising initiatives having begun, many in the sector have found the demands on their services rising whilst their resources have constricted.'

Taylor et al. (2013) pointed to a reported increased service use particularly around welfare and mental health advice. Macmillan's blog (2012) referencing 'great unsettlement' was a term described 'to convey the turmoil in the sector and in particular the unsettling of the relationship between the state and the sector.' (Dayson and Well, 2013:94).

The study identified quarterly confidence reports (table 2.3) undertaken by Involve Yorkshire and Humber, a regional umbrella body for many VCS organisations. This is a typical region with the same type and similar numbers of VCS organisations to other regions aside from London. These confidence reports had been gathering views from the sector on their experiences since the recession, and their outlook for the future. Whilst this is by no means a scientific survey, it does chart the views of the sector as austerity measures start to take effect. The study takes two surveys to compare: the first is December 2010, seven months after a new coalition government, and December 2014, five months before the general election. Around ninety-five organisations responded to both.

Table 2.3: Quarterly Confidence Reports comparison

<i>Question</i>	<i>Response - December 2010</i>	<i>Response - December 2014</i>
Involve YH asked its respondents whether, over the coming 12 months, they thought that economic conditions in the voluntary sector would improve, remain stable or deteriorate.	90% thought conditions would deteriorate.	63.5% thought conditions would deteriorate.
However, when asked if they thought the general situation of their organisations in the next 12 months would improve, remain stable or deteriorate...	...over 66% of respondents thought they would improve or remain stable.	This improves to just over 74%
Asked if organisations expected to collaborate more with other organisations in the next 12 months...	...72% said they would	Increasing to 77.6%
When asked how they expected statutory bodies to influence their success over the coming 12 months...	...40.3% thought it would be negative (with 25% positive).	And 21.8% negative whilst 38.5% positive in December 2014

Source: Involve Yorkshire and Humber Quarterly confidence reports 2010, 2014.

Most organisations thought prospects were worse in 2010 than in 2014, even though since the coalition government came into power, there have been funding reductions to government departments (table 2.2) and to local government, whilst demand for services rises (Taylor et al. 2012).

Theories of change within the VCS

As examined in previous sections, whilst economic drivers from outside forces and new policies from successive governments play a significant part in how the VCS reacts, shapes and develops, this sector is not a single entity so the thousands of organisations will not all behave the same. This study is interested in sustainable strategies used by the VCS since the recession. For many, this has meant changing the way their organisation functions and operates, and leadership plays an important role in that change. Those who previously worked together and had trusting relationships, were now faced with options such as merging, competing or aggressively moving into other organisations' territories. Some organisations decided to roll with the challenges they faced, others resisted. This area is further explored in the interviews and discussion chapters.

Organisational Change and Leadership

VCS organisations will have faced change in their lifetime in one form or another, but the need to adapt will perhaps have become more pressing under current austerity conditions. Cameron and Green (2015) highlighted that restructuring, culture, strategic planning and actions like mergers are seen as complex change and this is the type that faced the VCS during and after the recession as the 'sector's organisational architecture was reshaped and downsized' (Taylor et al. 2012:37). Uncertainty of future funding and changing expectations from stakeholders is also entirely relevant for many in the VCS.

‘...they tend to provoke increased levels of fear, anxiety and a sense of loss of control in everyone, not matter what their organizational role is.’
(Cameron and Green, 2015:390)

There are a range of theories on the methods of organisational change although Prochaska, Prochaska and Levesque (2001) acknowledge that whilst there has been an array of differing conceptual theories, this area has

not progressed because 'there is no apparent accumulation of knowledge leading to a science of organizational change' (Prochaska et al. 2001:248). Also, most advice on change management is geared towards private and public sectors, and the dilemma for many VCS organisations and charities is how they get the necessary funding to deliver a particular service which is somewhat different from those who need to be more efficient or raise profits (Lumley 2015). The study examined a 'theory of change' which has been adopted by a number of charities as a tool for linking the aims of the organisation to making sure it is undertaking the most suitable activities, meeting the correct outcomes and making the right impact (Kail and Lumley, 2012). However, this is more geared to longer-term strategic planning (Taplin and Clark, 2012) and not tailored for dealing with shocks such as a recession. Most VCS organisations' major assets are their people and therefore to achieve organisational change, leaders may need to also look to models of behavioural change so they can bring their staff, board and volunteers with them. Barnard and Stoll (2010:8) highlight that much of the literature on the subject of behavioural change admit that people may still be resistant to change even when those changes may be considered 'fair' or are even beneficial to the individual within that organisation. The Transtheoretical Model (TTM) of change was therefore examined as a framework which could integrate leading theories of change, previously 'seen as in conflict or incompatible' (Prochaska et al. 2001:248) and focus on ways of changing behaviour to help VCS organisations adapt post-recession.

The TTM was developed by Prochaska and DiClemente in the 1970s to explain behaviour of smokers who were either quitting on their own or requiring further support and treatment. (LaMorte, 2016). The model was extended to other fields as diverse as bereavement (Calderwood, 2011) and institutional change in education (Clark, 2013). TTM was flexible, linking concepts drawn from a variety of theories by using a 'stages of change' construct which is illustrated below.

Figure 2.2: Five stages of change in the Transtheoretical Model



Source: Prochaska et al. (2001)

These five stages of change in TTM can be overlaid to see how those in the VCS dealt with recession, new ideologies and subsequent austerity measures. Using theoretical constructs to feed into the five stages of change: 'decisional balance' - pros and cons of change; and 'processes of change' - distilling ten fundamental processes that can produce change (Prochaska et al. 2001). Those whose behaviours fell into the pre-contemplation and contemplation stages are more likely to be resistant to change and it does not matter how pro-active their leader or board may be, the organisation is unlikely to be able to move on. If one can move into the preparation and action stages, Lumley (2015: online) asserts that to overcome resistance and effect change in the VCS (or those in the pre-contemplation and contemplation stages), organisations need 'a burning platform' which is a change in strategy or leadership, vision and plan. However, a top-down approach may not work and should be discarded for 'stage-matched interventions' (Prochaska et al. 2001:251) which are more likely to encourage staff and volunteers to help achieve progress by them buying into it over stages.

VCS leadership is an important component to a changing organisation, and in uncertain times it can become somewhat harder.

'When the goal posts are constantly shifting and changing, how is it possible to make good, confident decisions about what markets to target, what resources to commit, where to cut costs and what type of skills to get you there?' (Cameron and Green, 2015:399)

This should not be restricted to organisations. The sector itself needs leaders who can navigate through new challenges and continue to champion the role of the VCS. Macmillan and McLaren (2012) suggest that in the face of instability, leaders need to give appropriate direction and advice, as well as giving confidence to those who seek it. As leaders in the sector become stronger and be able to transform their organisation, one may use those skills to position themselves so they are able to capitalise on opportunities, sometimes to the detriment of other similar groups. The following section looks at how those leaders may use their influence, power and connections; their 'capital' to gain an advantage for their organisations.

Field, Habitus and Capital

As detailed in earlier chapters, those that make up the sector come in different sizes and forms, and they often occupy the same space, whether on a geographical or thematic basis. This section examines how organisations behave with both policy makers and funders, and each other, whether taking opportunities or deciding on a change of path, and how they use the environment they occupy to survive, consolidate or grow.

'Third sector organisations and activities can potentially be seen both 'as fields' in their own right, and as operating 'in fields' (Emirbayer and Johnson 2008).' (Macmillan et al. 2013:4)

Whilst the third sector may appear to be the primary field of interest, organisations also exist within other fields including 'vertical' fields in policy domains, such as health, family support and housing (Kendall 2003).' (Macmillan et al. 2013:4)

As the recession hit, VCS organisations found themselves in new and testing situations, having to balance their aims and objectives with the need to survive. They do this within particular fields of expertise or geographical similarities to other organisations, and with new pressures it can often

change the rules of engagement and disrupt previously harmonious settings when each knew their roles within this space. In their 'The third sector in unsettled times: a field guide', Macmillan et al. (2013) use a 'field-based theoretical perspective' (Emirbayer and Johnson, 2008; Fligstein and McAdam, 2011). These fields have been defined as social orders where those involved in the sector interact with each other through their shared understandings about that 'field'. (Macmillan et. al. 2013).

'A field is a field of forces within which the agents occupy positions that statistically determine the positions they will take with respect to the field, these position-takings being aimed either at conserving or transforming the structure of relations of forces that is constitutive of the field'. (Bourdieu, cited in Benson and Neveu, 2005:30)

Fligstein and McAdam (2011) call these fields 'strategic action fields' highlighting the complexities of social change, and understanding how 'actors' work with each other to gain a strategic advantage in their particular field.

Parameters, spaces and perhaps more appropriately 'fields' are examined in the context of how the VCS has adapted and changed since 2009 to give an additional perspective to organisational change theories. Using Bourdieu's concepts of 'field', 'habitus' and 'capital', whilst understanding how 'doxa', the 'rules of the game' (Grenfell, 2008:56), plays a role in harnessing those 'actors' (for the purposes of this study, VCS organisations and/ or their leaders) behaviours and actions within the field, this thesis gives a theoretical interpretation of how many in the VCS deal with change. The interviews chapter offers further evidence of individuals, groups and organisations vying for position so they are able to take advantage of their situation or create space for themselves to operate in unhindered territory, all within particular orders and hierarchies.

For this study, the interviewer is applying a Bourdieusian focus to an applied setting (Hilgers and Mangez, 2015) taking the accounts of nineteen interviewees to provide explanations for how these theories can be applied to how organisations act in times of change. All interviewees have an extensive background in and/or with the sector, and draw on their experience to give their perspective on the sector's reaction to recent events. In each interview, field theory is tested through a series of questions and responses.

As highlighted earlier, field theory cannot be looked at in isolation and is inextricably linked to two other key concepts: 'habitus' and 'capital'. developed and later clarified by Bourdieu (1998).

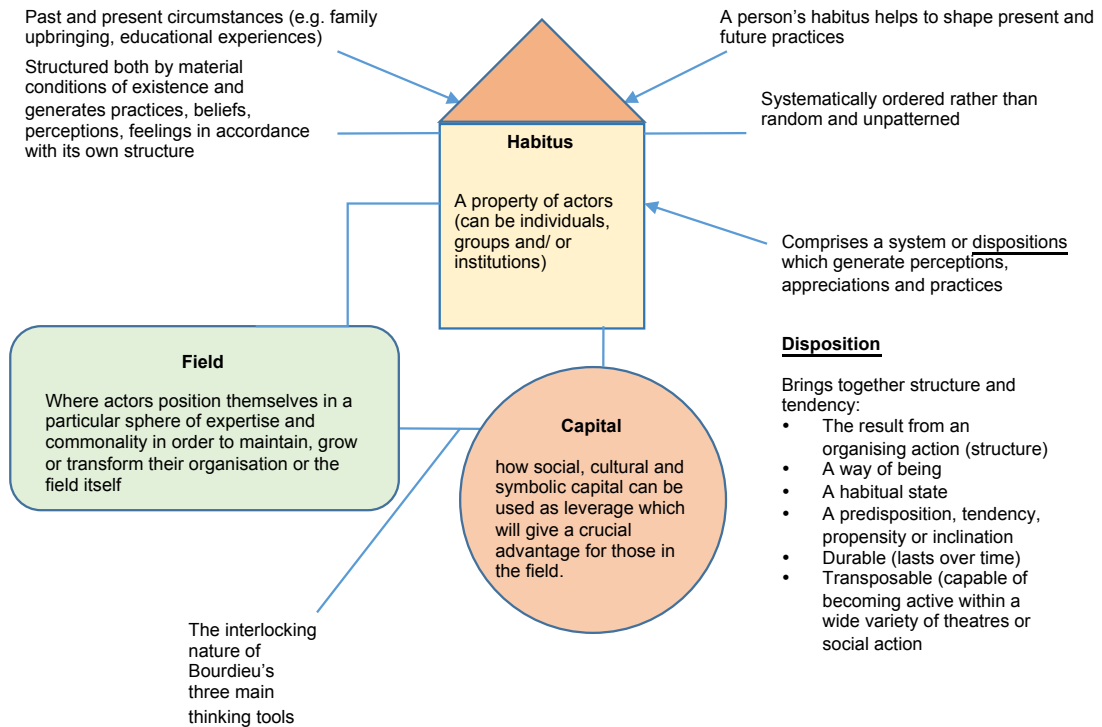
'Habitus' is understood and deployed within this thesis as how our past and present experiences help to develop and form the way we act, make decisions and relate to other people. It can be conditioned by how we may have been brought up or what we have learned, and consciously and unconsciously helps to influence the choices or action a person may take. It is our nature, make-up, 'disposition' (Bourdieu 1990:13) that helps us make these decisions, and is an important factor in understanding how individuals within organisations act across the VCS.

Many associate the term capital within economic circles, but Bourdieu takes this further 'by employing it in a wider system of exchanges whereby assets of different kinds are transformed and exchanged within complex networks or circuits within and across different fields'. (Grenfell 2008:99). He is demonstrating how social, cultural and symbolic capital can be used as leverage which will give a crucial advantage for those in the field; strategies VCS organisations will use so they can be ahead of others for funding and support.

In summary, Habitus is the individual's position in the field occupied by the VCS and other related parties: his/ her disposition influenced by background, social class, experience etc. and creating the practices and directions. Doxa is the rules of the game which are unwritten and could be interpreted

differently by others. 'Actors' in the field who are trying to change their position may try to alter the rules of the game for their benefit, and use what capital they have to make their organisation stronger and better placed. Capital is what the organisations will use to try and gain an advantage within their own or other fields. Figure 2.3 illustrates the connectivity between habitus, field and capital, and by understanding this relationship, VCS leaders and organisations should become aware of how they can affect the space they occupy.

Figure 2.3: Habitus, Field and Capital



A person's practice results from relations between his/her position/ progression in a field (capital) within the current state of play of that social arena (field).

Practices are not simply the result of a person's habitus but rather of relations between habitus and current circumstances

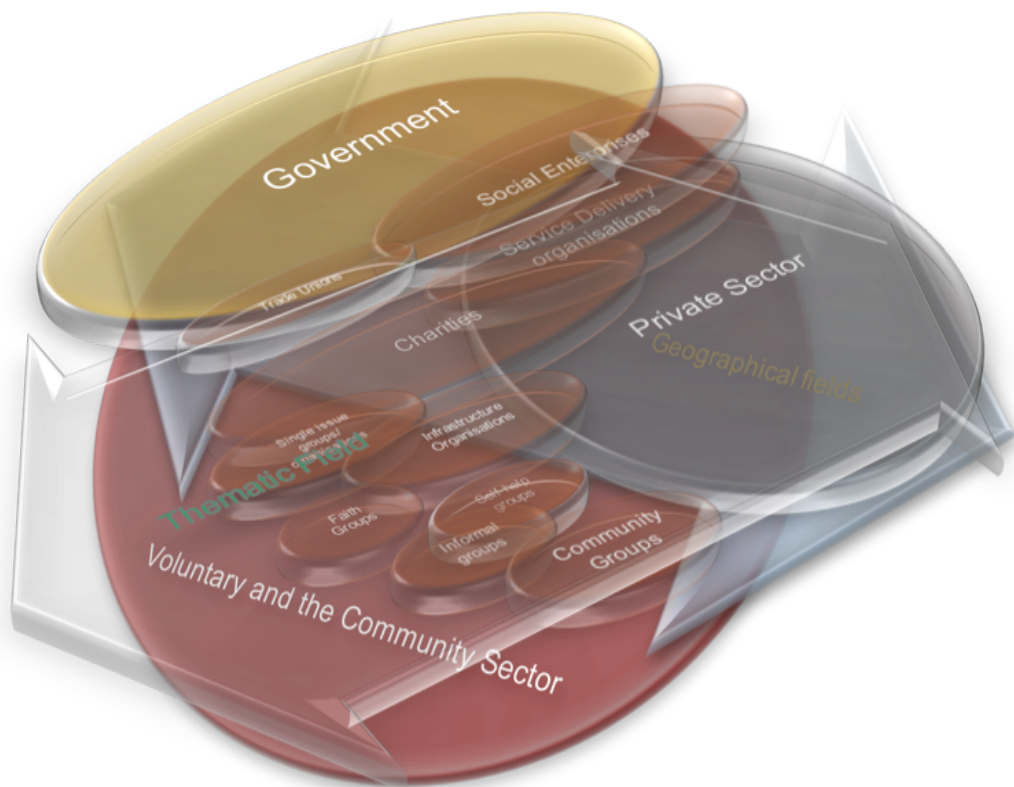
Sources: Bourdieu, P (1998); Grenfell, M (2006); Macmillan, R (2013)

Fligstein and McAdam (2011) argue that it is much more than just individuals occupying fields; they consist of 'actors' who are usually part of a group or organisation, and these can be changed irrevocably by a shock such as a major economic downturn or conflict. These 'actors' (or for the purposes of this study, VCS organisations) can effect change and how other fields such as those the state occupy play a major role in shaping the hierarchy of and within fields. This is an important view that has direct relevance to this thesis.

'In our view, SAFs (strategic action fields) tend toward one of three states: unorganized or emerging, organized and stable but changing, and organized and unstable and open to transformation.' (Fligstein and McAdam, 2011:11)

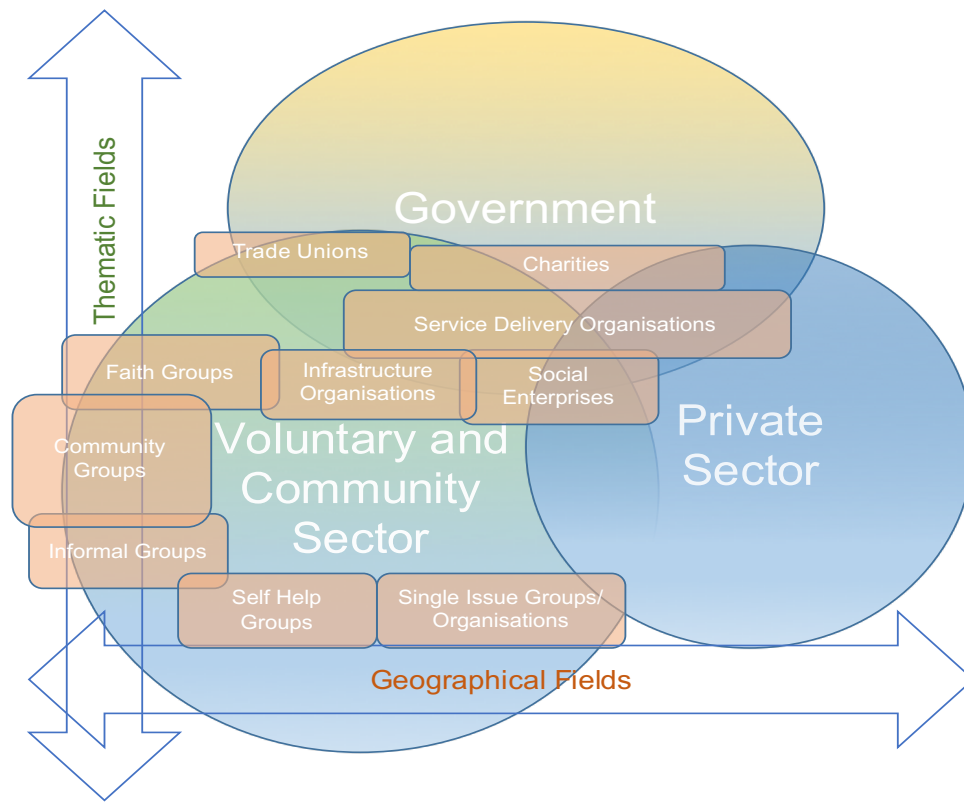
It is these type of fields the VCS will be operating in, whether a small community group or a large charity. Figure 2.4a illustrates the complex and congested nature of fields and are overlaid with spaces occupied by other 'actors' such as government and the private sector.

Figure 2.4a: VCS relationships and fields



For purposes of clarity, the same figure has been represented as a two-dimensional image (see figure 2.4b) which reiterates the complexity of the linkages in a slightly more transparent format for the reader.

Figure 2.4b: VCS relationships and fields (as two-dimensional)



By undertaking nineteen interviews with key participants working in the VCS field, the thesis captures the underlying behaviour of organisations within the fields. This is important as there are clear examples of passive, passive aggressive and aggressive actions and reactions to the changing circumstances facing the VCS. With the re-introduction of the 'Civil Society' by the coalition government (Office for Civil Society, 2010a, 2010b), Evers (2010) states that the sector should reconsider how appropriate their concepts are when dealing with civil society, as he believes their attitudes and approaches can become a threat. He highlights there are lots of examples of uncivil behaviour in the sector who have no respect for other groups and will do anything to improve their standing. He argues 'that the whole conceptual and theoretical infrastructure for third sector analysis has a bias' (Evers 2010:114). This is because the sector often focuses on being

actively involved and influencing, and coming together in forms of associations. The whole notion of civility means that those in the VCS need to understand it and operate within its parameters, making sure its actions are justifiable.

Conclusion

Throughout the literature review, the study has attempted to define and develop the theory of a 'new world' from the sudden worldwide global markets crash in 2008. It is after this seismic economic shock when evidence emerges of a change of thinking. The literature has examined how austerity has affected the whole of the VCS, from small community organisations to large charities, and used written accounts to gauge whether this is a 'new world' or otherwise. The literature review traced further back in history to chart any patterns emerging that could answer whether this is a 'new world' for the VCS. From this, the thesis argues that such a 'new world' could be plotted to other times and could be seen in both a positive and negative viewpoint. Davies (2011) asserts that with regards to public service delivery, the change from the VCS delivering 'niche' services to being part of the mainstream was most marked when New Labour came to power in 1997.

The question remains if this 'new world' existed before, or indeed is a new world at all? From the evidence, it could be argued that 'new world' could be labelled to some of the key policy change effects as highlighted in table 2.1 and particularly with the Conservative government's (1979-1996) adoption of neoliberal ideology, continued by New Labour's (1997-2010) but with a focus on championing the VCS as a credible delivery partner. The interviews analysis and discussion chapters will examine this further but the conclusion from the literature review is that whilst the recession and subsequent coalition and Conservative governments did change its support to the VCS, it is hard to distinguish some of the rhetoric to previous governments. This may be a more challenging and difficult world, but the literature review does not emphatically conclude it is 'new'.

Evidence from the literature review highlights a significant change in policy once the coalition government came to power in 2010. From governments that have directly funded and helped to capacity build the VCS to a post-recession affected sector which has been hit by funding cuts whilst demands on their services increase (Taylor et al. 2012). The shift from direct support whether grants or loans to enhance infrastructure which the previous Labour government supported to more contracts and further emphasis on service delivery is well documented (see Alcock, 2010; Milbourne, 2013, Goldstraw, 2016). The literature review has highlighted examples of organisations having to change the way they operate so they can successfully compete in delivering services, and many of the traditional VCS organisations involved in infrastructure support and advocacy have found they no longer have the direct funding to continue their work. Whilst these changes have taken place, there has been a dearth of evidence of a sector fighting against such changes; more of the VCS having to adapt to the changing landscape or fall by the wayside.

Whilst financial support reduced and commentaries pointed to organisations no longer operating, the latest NCVO almanac (2017) shows voluntary organisations continue to grow. This does not explain whether these are different times for the VCS so will be returned to in interviews and discussion.

Chapter Three: Methodology

Introduction

This chapter details the most suitable methods identified and justifies why they were used in order to meet the aims and objectives of the thesis. It explains how current research was synthesised with theories of change, which support the framework and context of the qualitative study undertaken for the thesis. The chapter also considers the limitations of the research approach and design, and offers a range of mitigations.

Research objectives

As first outlined in Chapter One: Introduction, this thesis investigates and analyses how the VCS has faced, coped with, adapted to and survived a range of austerity measures and new government ideology since the recession was officially announced in 2009. It examines what this 'new world' is for the VCS, if it is indeed new, or if it is one that echoes other periods of history.

The study has been carried out by:

- drawing together current research that focuses on how the VCS has adapted to a shift in policy landscape since the start of 2009, when the recession was formally announced following two quarters of negative growth;
- examining further back in history to see how often this 'new discourse' has emerged, and understand if the sector has faced this before;
- conducting nineteen semi-structured interviews, to gather perspectives from professionals who work in and with the VCS, and to understand how they are dealing with the emerging challenges;

- using the qualitative voices of those from the VCS to examine how it has developed sustainable strategies in order to fulfil its aims and objectives, or gone down a different path simply to survive.

Research Design and Methods

Research is a term applied to a whole range of activities, including the collection of large amounts of information as well as the exploration and challenging of theories with the aim of producing an outcome or product (Walliman, 2006). For the purposes of this thesis, the study investigated a variety of theoretical issues associated with methodological approaches to identify the most effective and appropriate way to meet the aims of the research and this was adopted.

The study considered a number of ways of obtaining the best data possible in the time available. Both quantitative and qualitative research were considered. Quantitative focuses on the areas of research dedicated to measuring or quantifying something whilst qualitative is more concerned with experiences and behaviours regarding a subject (Biggam, 2011). The latter is usually associated with exploratory research requiring a degree of flexibility and potential for development built into the design (Denscombe, 2010). The method chosen for this study was to gather and explore participant experience of change in the VCS; this is a predominantly qualitative approach with its concern for the experiences, worldview and accounts of participants (Biggam, 2011). To supplement this, there was a limited quantitative analysis of the interview transcripts in order to understand how many opinions were similar to particular statements (such as whether participants thought the Voluntary and Community Sector had entered a 'new world' of austerity driven, competitive regulations driven organisations).

The author decided a comparatively flexible approach of thematic analysis was the most suitable, having the theoretical freedom to 'provide a rich and detailed, yet complex account of data.' (Braun and Clarke, 2006:5). By undertaking this approach to analysing qualitative data, thematic analysis

'can be a method which works both to reflect reality, and to unpick or unravel the surface of reality' (Braun and Clarke, 2006:9).

The fact that the literature review raised new questions for different audiences meant that flexibility was required rather than fixed boundaries and resource. Otherwise it may have meant that some of the interviews would not have been able to take place. The author needed to maintain a flexible approach. As such, 'the research is a voyage of discovery' (Denscombe (2010:110).

Literature Review

For the literature review, the author needed to understand if there had become, as perceived by VCS actors and agents, a 'new world' in which the VCS was operating, in order to investigate theories of change in respect of how the VCS was reacting to processes of change. The research was also somewhat reflective as it drew on literature available at the time. For example, Maxwell (2009) explained that qualitative research should be flexible and reflexive, with each part of the research influencing the other. This is the approach taken during the course of the study as it developed.

In order to build an initial understanding of how the VCS has adapted to the shift in the policy landscape and the deep recession announced in 2009, literature was studied from a range of relevant sources. The study has focused on England as the Scottish, Welsh and Northern Irish administrations have developed their own policies and strategies for the VCS, further enhanced in 2011 after elections took place in these devolved administrations (Electoral Commission 2011).

After initially focusing on literature post-2009, the study investigated whether the VCS had introduced new strategies or whether these were versions of older ones in response to similar types of economic and political shocks. By casting our view back over the last four decades, the study ascertains how often this 'new discourse' has emerged.

By undertaking a detailed review of the relevant literature, it is possible to build up a picture of how the recession and subsequent austerity appear to have affected the size, scale, functioning and structure of the previously more homogenous VCS. These have been themed into broad areas of discussion so they can be further interrogated through subsequent interviews. To understand how those in the VCS have reacted to the shifts mentioned earlier, the literature research also investigated sociological and organisational theories which could have explained some of the trends and patterns expressed in the findings.

Analysis of the literature was undertaken continually, so from an early stage data was coded and emerging patterns were noted. This thematic analysis approach was undertaken so the author was able to get patterns of words or phrases (e.g. effects of austerity) which were then themed and cross-referenced during the interview stage. Finally, the coding was set out into themes for the interviews and analysis chapter.

The interviews

As a professional in the public sector and having close links with the VCS and civil society, the author was able to draw on many contacts and undertake extensive research to identify participants who matched the criteria that would enrich the thesis. Further participants were encouraged through a snowballing method (Yingling and McClain, 2015) to suggest who could be interviewed at a similar level to themselves; chief executives of local and national infrastructure organisations, senior managers of front-line organisations, policymakers in Government and others who exert influence in voluntary and community settings. This proved successful with nineteen suitable candidates identified and all agreeing to be interviewed.

The interview subjects are a selected sample of those who have had VCS experience for at least ten years (barring one interviewee who has at least six years). Whilst the majority of interviewees are experienced at senior

levels of management and leadership, the study also invited a number of people who had frontline experience as many of the changes will have had knock-on effects at grass roots or 'ground' level. This would help to give the study a proper sense of perspective on change since 2008/9. Four of those being interviewed undertook more than one role. These interviewees worked for a public organisation but also volunteered.

Each interviewee was given a code to retain anonymity. Names of specific places, organisations and people highlighted by interviewees were removed, to comply with ethics and data protection conventions.

Nineteen interviews were undertaken between 21st December 2015 and 28th June 2016. Due to the limited time available, it was not possible to interview every frontline manager, senior manager or chief executive in the VCS and public sector, so the above sample of nineteen was used. Figure 3.1 gives a breakdown of the interviewees.

Table 3.1: Interviewees

<i>Interview</i>	<i>Date</i>	<i>Currently working in the public sector</i>	<i>Currently working in the VCS</i>	<i>Previous experience in VCS, public and/ or private sector</i>
<i>D1</i>	21 st December 2015	Yes	No	VCS
<i>N2</i>	21 st January 2016	No	Yes	Public
<i>P3</i>	10 th February 2016	Yes	No	No
<i>N4</i>	8 th March 2016	No	Yes	Public and private
<i>J5</i>	29 th March 2016	No	Yes	Yes
<i>R6</i>	8 th April 2016	Yes	No	No
<i>N7</i>	12 th April 2016	Yes	Yes	-
<i>S8</i>	21 st April 2016	Yes	No	Yes
<i>C9</i>	25 th April 2016	Yes	No	Private and VCS
<i>K10</i>	28 th April 2016	Private sector	No	No
<i>W11</i>	11 th May 2016	Yes	Yes	-
<i>D12</i>	16 th May 2016	Yes	Yes	-
<i>A13</i>	2 nd June 2016	Yes	No	Private and VCS
<i>C14</i>	9 th June 2016	Yes	Yes	-
<i>J15</i>	13 th June 2016	No	Yes	No
<i>C16</i>	14 th June 2016	No	Yes	Public and private
<i>L17</i>	16 th June 2016	No	Yes	Private
<i>T18</i>	22 nd June 2016	Yes	No	No
<i>J19</i>	28 th June 2016	No	Yes	No

Source: directly from interviews undertaken between 21st Dec 2015 and 28th Jun 2016

The study draws extensively on two regions (North West and Yorkshire and the Humber, although participants brought experience from other regions including London) as well as a number of national organisations. Interviews have been primarily undertaken in these areas as they are easier to reach for the author in the limited time available. The two regions are similar to other regions in the country which include rural, urban, black and minority ethnic groups, communities of interest, small, large and medium sized organisations, and infrastructure organisations.

In advance of each interview, every interviewee received a participant information sheet detailing the study ([Appendix Two](#)) and an interview consent form ([Appendix Three](#)). The interviewee was able to choose the most appropriate public location and time to suit them and so to not affect anonymity. To ensure safety once the interviews were secured, details of venues and dates/ times were shared with the course lecturer.

Structure of the interviews

Each interview was semi-structured. This method of interviewing was preferable to a questionnaire or unstructured approach, as it could afford a pre-determined set of questions and themes for consistency that can be explored through open discussion (Silverman, 2004). Each interview was subject to the same formulaic approach with identical sets of questions used to minimise bias. By using a semi-structured approach, the study allowed for points to be followed up and to probe further when necessary (Thomas, 2011). Qualitative methods were primarily used as the study is interested in understanding the strategies used by organisations, in the words of those who are involved in implementing them and understanding why certain routes to sustainability are selected above others. There was also a certain amount of quantitative research where the author ascertained how many participants held a particular point of view in response to some of the questions.

The interviews varied in length from slightly under an hour to eighty-five minutes. The variation in time was partly down to the response to the questions, and partly due to the interviewer becoming more proficient in each interview. Each interviewee was informed that the interview would take no longer than ninety minutes.

It was important that each participant felt relaxed and were able to answer every question openly and honestly. The beginning of each interview was spent explaining how the interview would be set out and what to expect. This approach was piloted for the first two interviews and after each one the

interviewee was asked how they felt the interviews went and what they may change in the future. Both were content with the layout, length and content.

Every interview was set out exactly the same so that each participant would be given the same questions to answer. The only minor deviation would be in the exact wording of the question if it was set out for public or voluntary sector. There was one private sector interviewee although the questions were the same as those posed for the public sector participants.

Each interview commenced with a series of general questions regarding the person's background and experience. Spending a few minutes with the interviewees to talk a little about themselves helped them to relax. In turn, the interviews were less of a simple question and answer session, developing into a free-flowing discussion and elicit more open and comprehensive answers (Biggam, 2011).

By understanding the interviewee's background, the subsequent questions could draw on their particular experience to help give a contextual perspective. Whilst the questions were pre-determined, the interviewer built in an amount of time so there was enough flexibility for participants to answer across questions if the conversation was helpful to the study. By having a 'crib sheet' of points to cover, the interviewer was able to allow this freedom of answer and bring it back if the line of answering was veering away from the study.

See [Appendix Four](#) for an outline of the interview questions.

Ethical considerations

Ethical considerations run throughout this thesis. According to Lewis (2003:66), the importance of ethical considerations in qualitative research should not be underestimated as it is often 'in-depth', 'unstructured' and unexpected issues can arise. Bailey (2007:15) states that 'ethical considerations permeate every aspect of the field research process, from

selecting the research topic to disseminating the results.' Qualitative research by its nature is iterative and unfolding (O'Reilly and Kiyimba, 2015), and the author is aware of the possibility of a range of ethical dilemmas that might arise as the research progressed. As such, the author was alert to continuing an ethically reflective position (Flewitt, 2005).

Much of this qualitative research involves one-to-one interviews with participants. Ryen (2004) highlights codes of consent, confidentiality and trust as the three main issues raised in Western ethical research and form part of national guidelines. Key ethical issues for the interviews were informed consent, confidentiality, anonymity and ethical handling of data collected.

On the day of the interview, written consent was given before the interviews started. For each interview, so to avoid any problems of participants being observed arriving or leaving their place of work and thus effecting anonymity, all interviews were offered to be undertaken at a public location of the participant's choice. All data has been handled in accordance with the UK Data Protection Act (1998). All data (names, places and identifying issues) were anonymised at the point of it being gathered with only the author having a list of whom this relates to.

All interviews were recorded so valuable time was not used to take contemporaneous notes and more free flowing discussion could take place. Audio was chosen as it was less obtrusive than video and the latter could produce more data than is needed for the purposes of this study (O'Reilly and Kiyimba, 2015). Interviewees would feel more comfortable and all had been interviewed previously with audio recording devices present. Each interviewee was informed that all interview recordings would be uploaded to a computer and the original recording immediately deleted.

Clausen (2012:12) observes that across literature on methods, it is 'taken for granted' as a reasonable action for the researcher to transcribe recordings. At an early stage, the author considered the time it would take to transcribe

the interview and whether to use paid services to assist. Lucas (2010, cited in O'Reilly and Kiyimba, 2015) argues that it would be more ethical and prudent for qualitative researchers to transcribe the interviews themselves as the whole field of transcription is seen as both interpretive and subjective. Using transcriptions services could misrepresent those being interviewed unless there is close supervision by the author. Clausen (2012) asserts that transcribing recordings takes up too much time as it is not only about writing down what the interviewees said, but understanding the conventions and the interview situation. Considering all these options, the author chose to transcribe his own data as the time factor was outweighed by the 'potential benefits of obtaining a verbatim transcription in the data management and analysis process of interview data' (Halcomb and Davidson, 2006:40).

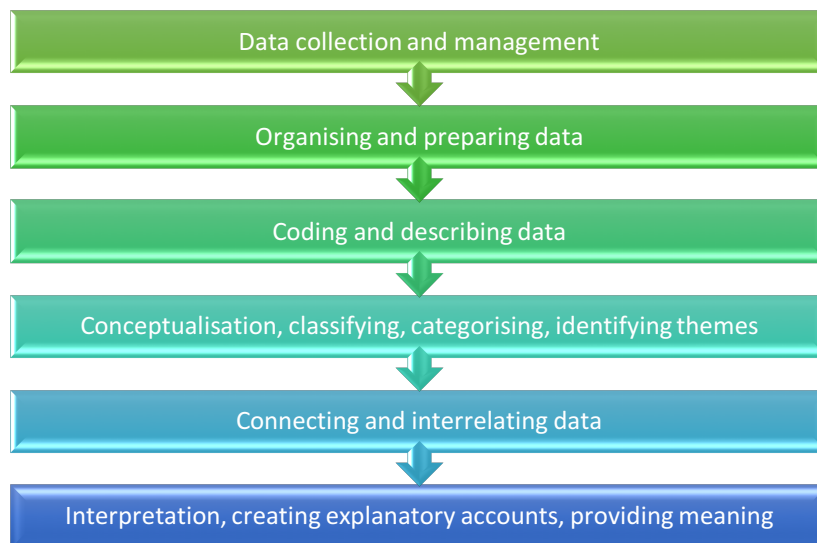
As with informed consent, the issue of confidentiality is challenging when interviewing people who may work/have worked in the past/will work in the future quite closely together. The interviews were labelled with a pseudonym as the author transcribed from the audio recordings. Indeed, the audio recordings themselves were also labelled with pseudonyms so they could not be identified without listening to them. Where interviewees offered particular material to help inform the study, where it may expose that person, the author made sure that person's anonymity was protected. The author offered to make available a full transcript to the interviewee on request and they were informed that they were free to withdraw from the research at any point. Each interviewee was informed that if further research was to be undertaken in this field, information would be retained for no longer than five years from date of publication and would be disposed of securely after this time.

Social Research Association (2003) ethical guidelines were followed throughout the study to shape and inform ethical strategy. This was so that frequent ethical analysis was made of the process of data collection and engagement with participants.

Analysis of the interviews and themes for discussion

Evidence gathered from each interview was thematically analysed for recurrent themes and ideas and confirmed, contradicted or brought in new ideas and evidence to that gained by the earlier literature review. Figure 3.1 illustrates the process employed to analyse the data.

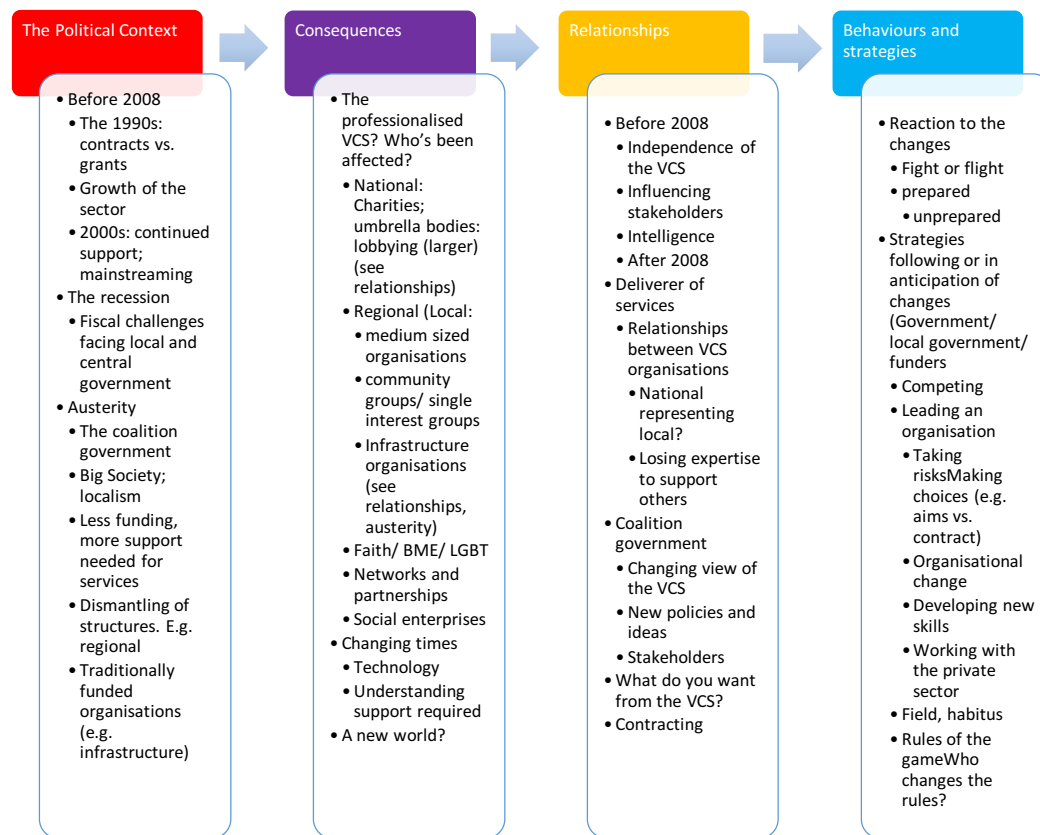
Figure 3.1: Qualitative analysis process



Source: Warwick Institute for Employment Research, 15th February 2012

Broad themes were developed during the literature research to form the basis for interview questions. During the interviews, notes were taken and through thematic analysis, patterns emerging were then themed into the following headings (figure 3.2) which would be cross-referenced with the literature review and form the basis of the Discussion chapter.

Figure 3.2: Initial coding for interview analysis and discussion



Key themes were then formulated for the discussion of findings as the data from the interviews were refined and re-ordered.

Limitations and mitigations

The body of literature research on effects of austerity and policy changes on the VCS continues to grow. Whilst there are few books on the most recent period of austerity (2010-), there have been many reports, publications and articles and these were used extensively in the study to build a picture. There were some gaps in the literature available which may only be filled over time when commentators have reflected on the impact of the recession. When undertaking the literature review, evidence of the size of the sector was limited to a small number of publications and there was no reliable information relating to the amount of informal or community groups. There

was evidence of withdrawal of funding at both national and local levels, but this was not complete and much was anecdotal.

With nineteen interviews undertaken, each one had to be kept to a consistent and manageable length of time. This was so the interviewee would maintain an interest and know that it would end at a pre-arranged time, and each transcript would take around twelve hours each to complete. However, it was important the interviewee was not constrained when answering the questions. So, for example, when asking for the interviewees to plot what they thought were the key milestones that have affected the VCS during their career, a timeframe was introduced to correlate with the starting point of the study being the 2008/9 recession. The interviewee could refer to other key periods before that if one preferred to go back further. This was made clear at every interview.

Chapter 4: Interview findings; Analysis

Introduction

This chapter presents a thematic analysis of the interview transcripts.

Lines of questioning

The line of questioning was set into a number of broad themes for discussion.

- Historical context: key events and milestones affecting the VCS over the last few years. Whilst the study highlighted the recession of 2008/9 as a starting point, many of the interviewees were encouraged to trace further back if they had longer experience in the field, so they could reflect on whether there were similar 'shocks' in the past. The literature review covered over thirty years to see if any other similar deep recession had a similar effect.
- Political context: policies and ideology from successive governments. The literature review included how Conservative, Labour and coalition governments changed their relationship with and understanding of the VCS, and the interviewees discussed how it has affected the way they have worked.
- Whether this is a 'new world' for the VCS. Much of the literature after 2009 focused on the challenges facing the VCS, so this direct question was asked to each interviewee who went on to explain how he/ she has come to such an answer.
- Adapting and changing: how VCS organisations have dealt with the recession and its aftermath. The literature review had few examples of organisations dealing with the challenges they now faced so the

interviews were an opportunity for the participants to reflect on what they did, or did not do, in the face of changing support.

- Sustainable strategies. Examples arising from the literature review included sharing services, merging, collaboration and the emergence of social enterprises. The interviews examined if there are similar themes and seek new ideas.

The outline interview questions can be found at [Appendix Four](#).

Key Themes

Evidence gathered from each interview was thematically analysed and coded for recurrent themes and ideas and have confirmed, contradicted or brought new ideas and evidence to that gained by the literature review. The section includes direct quotes from interviewees which help to illustrate the findings from each theme. Through coding, the following relevant key themes to the study have been identified.

- The political context: before and after the recession; austerity and the big society.
- Consequences: reactions to recession and austerity; from grants to contracts; a 'new world'?
- Relationships: before the recession; austerity and different relationships.
- Behaviours and sustainable strategies: the professionalised VCS? Adapting and changing; making choices, taking risks; moving in on VCS territory; sharing services and mergers; working with the private sector.

The methodology chapter gives further rationale, background and detail to the interviews. The Discussion chapter compares the comments and observations from the interview with the existing literature.

The Political context: the recession and reaction

All interviewees talked about general changes in policy that have affected the VCS, whether that was before 2008, 'the first time we'd seen a government strategy to support social enterprise' (A13, 2nd June 2016. Interviewed by SN) or the start of the recession: '...the cuts that are going on at the moment...I think that's focused a lot of our minds.' (C16, 14th June 2016. Interviewed by SN).

Before the recession

Although the interviews primarily focused on events after 2008, nine of the nineteen interviewees referred to the period of the previous Conservative government (1992-1997) and a change in fortunes for the VCS.

'When I started...in '96, it was a time of, a time of hope and a time of aspiration really for a lot of people...And it was a time where there were quite a lot of resources around to help support what was happening.' (W11, 11th May 2016. Interviewed by SN).

One interviewee talked of the Conservative government in 1990 who introduced the National Health Service and Community Care Act 1990, transforming mental health support, and claiming it paved the way for an increase in spending through the private and voluntary sectors. 'I think that changed the landscape much more significantly than these years of austerity have.' (D12, 16th May 2016. Interviewed by SN).

Seven interviewees pointed to an increase in funding and support to the sector over a number of years, particularly during successive Labour governments between 1997 and 2010.

'There had been a long period of growth in funding which was available through different sources to the voluntary sector. Be they charitable

trust funding, but obviously a lot of them coming through public services and public sector funding...the volume of opportunity was available in those years.' (C14, 9th June 2016. Interviewed by SN).

The interviewee commented that 'the funding probably grew at a rate larger than the size of the sector.' (C14).

Ten interviewees spoke of previous governments part funding the VCS through large-scale initiatives and programmes designed to regenerate areas. Single Regeneration Budget (SRB - introduced 1994), Neighbourhood Renewal Fund (NRF - 2000) and other related funds were highlighted by participants who had some involvement in regeneration.

'(Names place) in those days was what you might call officially deprived so we were having money coming in from Neighbourhood Renewal Fund, Single Regeneration Budget, Urban Programme, all sorts, European money, the lot.' (N2, 21st January 2016. Interviewed by SN)

As three interviewees pointed out, these type of programmes only accounted for a small proportion of the total amount the VCS could access. One participant was keen to make clear that many of the established charities were not beneficiaries of these type of programmes in the first place, as these targeted interventions were mostly directed at geographical places or on a particular issue.

'They were taken on by organisations that were created for those purposes. And therefore although the total pot in spending in non-government organisations must have gone up, the total going through the books of established charities probably didn't change as a result of that largess.'" (D12).

Another interviewee said '...we had a cake. A nice Victoria sponge cake. Funny money would make up the crumbs of the cake' (C16).

A few interviewees spoke of the Labour government's desire for bespoke services to be 'mainstreamed'; integrating into existing service delivery. Many geographical and thematic areas such as help to the vulnerable and the equalities agenda needed to be part of an exit strategy from the programmes, but one interviewee thought that the outcome was marginalised services.

'And actually older people have different needs to somebody who is disabled requiring advocacy support, or someone who is younger. So again it's another example of an advocacy of different type being shut and mainstreamed...' (N7, 12th April 2016. Interviewed by SN)

One interviewee referred to the investment that went into VCS infrastructure around 2004, encouraging VCS organisations to acquire assets.

'...on that basis was the government's response to saying, 'we are investing in the VCS and we understand that in order to invest in the VCS we have to invest in its infrastructure and infrastructure support.' (C16)

The same participant said that capital development from programmes such as ChangeUp, Capacity Builders and Futurebuilders helped some organisations use their assets as income generators, improving their capacity and stability.

The development and importance of social enterprise was raised in eight interviews. These are the type of organisations who share similar values and philosophy and use any profit they make to redistribute or put back into the social arm of the organisation. '...a social enterprise is a market solution to a social problem' (A13). One interviewee talked of the growth of social enterprises during the period of Labour governments, 1997-2010 but also noticed that support for them was scarce.

'There was a lot of money washing around...in those early days 2005, 2006. Labour government was the first government to develop a recognised strategy for the development of social enterprise. But what we found was that...some of the support that we were being offered was frankly just not good enough.' (A13)

Interviewees were keen to point out that in some areas, social enterprises have not worked for all.

'I think that dream of talking about social enterprise you know, as the way forward, people running organisations like businesses hasn't really transpired into that ability to move away from any core funding that keeps the organisation afloat.' (C9, 25th April 2016. Interviewed by SN)

Whilst interviewees thought social enterprises are popular and can work in a number of situations, a couple thought that they are not the solution to every problem.

It was clear from the interviews that before the recession, support for the VCS was plentiful and participants were positive towards the governments of the time. As will be seen in the next section, this changed within the participants' accounts as the recession hit.

The Recession, austerity and the Big Society

As one interviewee put it, 'the recession...that was the start of a kind of journey for the VCS. Putting the sector on a different road...' (T18, 22nd June 2016. Interviewed by SN). The interviews drew out a mixed response as to when they first acknowledged/recognised that recession would have an impact on their or other organisations. One participant said:

'I don't think it started to reduce in 2009, but it was the start of inward scrutiny, of the funders of the sector.' (T18)

This 'mixed picture' (Taylor et al. 2012) was echoed in the interviews. All interviewees from the voluntary, public and private sectors saw the recession and subsequent political actions as a trigger for a change in the long-standing relationship between the VCS and stakeholders.

'I'm trying to think when the change came around the coalition government etc. and we all started talking about Big Society, and suddenly money was running out you know. Massive cuts to the public sector and it felt at the time that suddenly everyone went just like 'hang on a minute we've got a VCS. What can we do with them?'' (C9)

According to one interviewee, the new coalition government felt that large-scale top-down policies were bad at solving problems, and it believed in a wider decentralisation agenda 'which is part of the way the government would have approached things regardless of the fiscal crunch' (P3, 10th February 2016. Interviewed by SN). The introduction of 'localism' and 'Big Society' were commented upon by twelve interviewees. One interviewee said that in his view the thinking behind the Big Society was to try to redesign the relationship between the citizen and the state. By giving the citizen more autonomy, it would help improve the resilience of communities as well as the democratic accountability of services. This interviewee also argued that Big Society was being played out to a background of the retrenchment of the State.

'...you've got this notion that Big Society was simply a cover for cuts...certainly the agenda was there about how VCS could play a role in delivering more for less but there was a genuine view that if you were going to open out the delivery of public services, then it wasn't just necessarily going to go to professional service companies...and the like, but there should be a role for communities to deliver more themselves and for them to form ways of delivering that.' (P3)

Another participant reflected that Big Society was marked by incoherence.

'So, I don't think there has been a recognisable confident ideology. So the commitment to a Big Society which was very prominent in the Conservative manifesto...did not prosper well under the coalition government. People seemed to lose confidence in it but that was mostly I think about inspiring a mass movement of volunteerism which was again not well rooted in the existing charitable and social institutions of the time. I think it was rather nebulously meant to in addition to that rather than to strengthen those existing institutions.'

(D12)

Whilst two participants thought that the idea behind localism and Big Society was a good way of involving and empowering communities, ten others felt that it either made no difference or had been happening under different guises for years previously.

'I guess we were of the view that we were, we were fundamentally supporting the idea of a Big Society but it wasn't anything new? And that it was something that actually was happening in societies and communities anyway. And it didn't need to be badged, or dressed in a different way because it was already was something that was happening...'

(T18)

'...the whole Big Society discussion, which really went into the ground, although I think it distracted us in all sorts of ways'. (J15, 13th June 2016. Interviewed by SN)

Four interviewees highlighted that politicians and local policy makers lost confidence in the Big Society or could not fully embed its ideas into national or local policy, especially around the role the VCS could play in making it work. Interviewees thought Big Society was simply a replacement for funding: 'we're cutting, you're on your own and you run it yourself.' (W11).

One mentioned it became a rhetoric, championed chiefly by the then Prime Minister David Cameron.

‘...unfortunately with politicians, they see something shiny and bright. They’re a bit like magpies; they’ll be all over it but actually don’t understand fundamentally how the sector works.’ (K10, 28th April 2016. Interviewed by SN)

Localism was not a common theme in interview responses but two were receptive.

‘...we are probably responding to that, that notion of localism much more now. We talk about local a lot, in our work, and we talk about how we can be a stronger local grant maker.’ (T18)

Although another interviewee thought that the rhetoric was not matched with any long-term sustainability.

‘...with a lot of work on rurality and localism and all that was quite important. There was a lot about the rights, you know. Community Right to Buy. I think most of that’s fizzled out, doesn’t seem to me to have gone anywhere really. There will have been odd bits here and there but, but a lot of those rights are only really played out where you’ve got a lot of capacity locally, and in poor areas you haven’t got that.’ (J15)

An initiative that was first started under the Labour government in 1998 was re-launched by the coalition government in 2010. The Compact: a concordat which set out a statement of principles between the VCS and government was cautiously welcomed by some interviewees and in one instance adopted at local level. One interviewee stated that ‘we also need to make this a document that’s worth more than the words on the piece of paper’ (W11).

From a central government perspective, whilst there was an admission that one couldn't disentangle the importance of the sector with austerity measures, it was claimed that:

'there's no denying there was a genuine philosophical basis to the way that this government has approached this issue. It's not simply driven by fiscal means. It's very much about how you can re-energise the sector to be a catalyst of the more resilient communities. Because the state needs to do less and the citizen needs to do more.' (P3)

Every interviewee considered if austerity and new policy thinking translated into reductions of support, financial and as partners, to the VCS. No one disputed it. Several commented that whilst the VCS was being talked up at both national and local level, support for the sector in real terms dropped off significantly. A more optimistic picture was painted by one interviewee highlighting a regional quarterly confidence report in 2015 although there was a caveat that 'you could say the ones who are optimistic are the ones who respond to a survey...' (J15)

In the next section, interviewees discuss how austerity affected a range of organisations.

Consequences

Participants talked about their love for their work. They chose to be involved with the VCS because they believed in a particular cause or were passionate about what they wanted to do. Satisfaction from work, many participants said, came from what they did and a solid belief in its importance. However, for the majority of interviewees, things had changed and this has consequences for the VCS.

Reaction to recession and austerity

There was evidence from the interviews that most believe government and the wider public sector have struggled to work out how they are able to prioritise services as demand continues to rise and budgets continue to fall. For those participants who were from local authorities or statutory funders, choices needed to be made in the light of the recession although one public sector official remarked that his Council acted before central government intervention. As contracts and grants were ending, the Leader of the Council used this pause as a chance to reconfigure how it would support the sector in the future (D1, 21st December 2015. Interviewed by SN). In another interview, the participant talked of the simple decision one Council manager had to make: either reduce the staffing numbers in the Council or cut support to the VCS. Traditional grant giving which had been done regularly to the same organisations was now in question.

‘...in grants that we used to give to the sector, and part of the role of the job was to look at all of those arrangements because there were some that had been funded for years and we didn’t know why they were getting funded.’ (W11)

A few of the interviewees said that their VCS organisations were ready to deal with consequences of the recession, and because they did not rely on government support, were able to plan accordingly.

'I think that, there are some things that we do that in some ways make you a little bit more immune, to government's decisions of the day. Because a massive amount of our money doesn't come from those sources.' (A13)

Another interviewee who had also planned ahead of the recession noted that it was not the case for other VCS organisations.

'...the problem with the VCS is it sees itself in a bubble. But you know, the impact of the recession hit the private sector, hit the public sector, it's inevitable it's going to hit the VCS. So seeing yourself as a bubble and crying about the fact that you've lost money, and you should be getting X, Y and Z, so what?' (C16)

When the recession hit, one commentator said that even those organisations who had received large amounts of investment from programmes such as ChangeUp were not prepared.

'I don't think they had a crystal ball in relation to that. But did have £90 odd million, for three years to sort themselves out, before that happened. But what that tells me, in terms of resilience, they weren't resilient. No idea in what they doing, just fanciful ideas about what they wanted to do in the VCS.' (C16)

One interview captured how people did not understand how deep the recession was going to be:

'I still talk to friends and colleagues in the sector, who understand that the local authority is facing cuts, but frankly don't really understand the scale of the cuts and the scale of the changes that is happening within the local authority.' (C14)

Four of those interviewed commented on a 'double whammy', where funding was being cut at the same time that they argued that people needed services more.

'I think austerity wise it's been a double blow really because the amount of funding available has been reduced, but the need has increased, because obviously you've got more people unemployed – they are going to need more, particularly with regards to advice and guidance, but also all the other services that are provided by the VCS. (D1)

Thirteen interviewees mentioned the reduction in financial support would have a knock-on effect for those organisations who the government thought should be the enablers for communities.

'There was a sort of belief system that that said 'well, actually we ought to do more for each other at a local level' on top of a withdrawal of resources [from] local government which meant that many other organisations lost out, therefore weakening the base of organisations that could in a sense been your building blocks to a more inclusive and participatory local society.' (D12)

It was not only the reduction of support which would affect many in the VCS, but also the change in the way organisations would be funded, as the following section demonstrates.

From grants to contracts

Analysis of the interviews drew observations of shifting support and parameters from funders and stakeholders since 2009. As commissioning came to the fore for many funders, many in the VCS found themselves in a different environment. Grants and one off payments were now far less likely to be awarded by government and local statutory funders.

'We've moved from a fairly robust...grant-making scenario, to a much more focused procurement and commissioning...set-up within the local community' (J19, 28th June 2016. Interviewed by SN)

Another interviewee explained further.

'...historically there were things like core grants that were provided to some organisations to support their core business and enable them to go out and bring additional funding...and deliver a sort of added value through their activities. A lot of grant funding has changed to, a commissioning process which results in a procurement process and so, there's more in the way of bidding for contracts, and delivering contracts.' (C14)

Participants reflected on a time when grants were easier to administer and usually done by a funder's liaison officer who knew the organisation well. An example given in one interview was where a local VCS organisation who worked with young people would often know people who were employed in the Council's youth service and the Councillors who may have an interest in this field. With the introduction of commissioning, more defined parameters had been introduced and this became a different kind of culture for the VCS.

'...what you need to think about if you are delivering those services is, right, 'by doing what I'm doing, how am I impacting on the 'troubled families' agenda? How am I impacting on mental health? How are these services keeping kids out of petty crime?' and you've got to be able to think of how you measure that. And you've got to think who is interested in paying for those because what you're delivering isn't just, you know, keeping kids off the street. It is a preventative service that stops more expensive, public interventions upstream...So the agenda you are talking about has got to be much sharper. And you've got have the skills to think about 'how do I measure what I'm doing?' Before you were thinking about how do I deliver the service so my beneficiaries get

the most of it; now you're thinking 'well that's fine but how do I measure that?'" (P3)

Interviewees pondered on who had been most affected by the reductions in funding and changes to support.

'I think the impacts of changes of government and the recession have affected medium sized and infrastructure organisations probably more than the small ones, and the very large ones'. (J15)

'...smaller community based organisations, despite what they say, they're probably fairly sustainable. I think the larger organisations will get larger. And I think trapped in the middle are a whole range of small organisations.' (J5, 29th March 2016. Interviewed by SN)

Twelve interviewees thought that very small community groups would continue to exist as many operate on donations or very small pots of money, or simply run a voluntary basis.

'...there are clearly some organisations which either, you know, particularly so if you looked at things like, smaller groups say community groups, peer support groups, which don't actually really have any costs associated with them are very community orientated, and, and people orientated. It's usually a group of people who've got together to achieve whatever goal it is, be that friends of a local park, or cancer support group, or whatever it might be. They don't need a lot of money.' (C14)

However, one interview talked of the demise of very small grants to local community organisations. Stakeholders no longer had the capacity to administer these grants which were often held in a VCS small grant type

'pot', and by removing the grants themselves it would go some way to reducing the deficit.

'You're doing your bingo once a week. And that's all you want to do, you don't want to do anything else, it might have been, you know, in the past we did £60-£70, some sort of bingo machine, and that's all they needed. But actually the impact it had on the quality of life of those elderly people that were able to get out of the house. So a small amount of money made a lot of difference. But those grants, you know, small grants, large grants like grants programmes generally, reduced, and moved towards procurement, commissioning type of arrangements.' (W11)

Several others thought large organisations would be able to survive as they have the type of structure which will be able to attract further funds, or donations, or be able to diversify should they wish to.

'...and obviously there are national charities that are very successful at securing donations and maybe less affected.' (C14)

Participants argued it's those 'squeezed middle' (P3) who are really suffering.

'I think for the medium sized organisations I think those are the organisations who are probably, really feeling the impact of the change in external world.' (T18)

One of the biggest casualties of the last recession was VCS infrastructure organisations, and the partnerships and networks associated with them (Milbourne, 2013:11). They would be the 'go to' organisation for signposting, bringing people together, acting as a voice on behalf of the VCS and in turn would be seen as an 'umbrella' organisation for the smaller groups who

would seek advice and support. The debate goes on across the sector and with funders to their added value.

'...is infrastructure a good thing or an expensive icing on the cake that you don't need, and that debate carried on.' (J15)

'...as the cuts started to come in at a local level people started asking questions about what these organisations actually did for the money they were getting. And those who were best able to demonstrate and collect data and show what they were doing were those who actually managed to hang on. Those were bad at that, went to the wall.'" (P3)

One interviewee argued that statutory services couldn't understand the worth of local infrastructure organisations and resented funding them.

'So it's as if local government can't get its head around a sector that isn't about, delivering measurable outcomes, outputs. And that it needs to develop a relationship of trust.' (J15)

A few responders pondered if VCS organisations and stakeholders would miss this kind of support if it no longer was available.

'I think there's going to be a lot of people will notice because, the organisation provides support with everything with things like HR, payroll and pensions. Support setting up a social enterprise.' (K10)

One interviewee thought that on the whole, infrastructure organisations had failed to really deliver in practice.

'...they're bad in practice because they, in my experience, find it quite hard to offer added value across such a wide waterfront. So, often they're not very good at working with new communities because they

don't have expertise about those new communities and they are no better able to, suggest those communities what they can offer.' (D12)

Further, with the advent of technology, some questioned whether it was easier for frontline organisations to get the support they needed online.

'...you can get a model constitution off the internet and go 'that's a model constitution'. That's not the same as understanding it, but there are different mechanisms.' (C14)

The interviewee concludes:

'...sometimes there's also a desire to try and sustain some of the the sort of more traditional types, without looking at the wider customer base and go actually 'is that what people want anymore? Is that how people want to receive services?' (C14)

Interviewees offered advice to these organisations in order for them to survive.

'They need to reinvent themselves, they don't quite know how to do it. So I ask myself, who is the expert then? why would I want to come to you as a frontline organisation, that has to reinvent myself, that needs to survive in the current climate, and you've no idea. Because you can't do it for yourself.' (C16)

'You know maybe it is providing, less of a sort of a nine to five development worker service, and more of an online presence. YouTube videos. Someone who you can book an appointment with, if you want the more detailed inspection, but then also supporting organisations with things like crowdfunding...or things that really actually make quite a big practical different to people.' (C14)

No one in the interviews mentioned the role of the infrastructure organisation as a campaigner and agitator on behalf of the organisations and communities they serve. **The question of loss of voice in the VCS as a consequences of the recession** is returned to in the discussion chapter.

A New World?

'Do you think this a 'new world' for the Voluntary and Community Sector?' was asked as a closed question, although all of the interviewees were given the opportunity to expand on the answers. From the analysis of the interview transcripts, there are clearly differing views but twelve did think it was a 'new world'. Some of the respondents did not sound overly confident when answering this question. A few respondents thought it was not a 'new world' or would challenge the term. Answers included:

'A 'new world'? It's a harder world for the VCS. And in some respects I think that's because the VCS hasn't grappled with it properly.' (N7)

'Well, 'new' is a tempting word, a tempting word isn't it because we all like to think...we're faced with something new, but in truth, the history of the voluntary sector; it goes up and down...' (D12)

Four interviewees referred to a 'brave new world' when commenting on what is facing the VCS.

'I think we are into a very interesting time for the sector. I do think, you know, is it a brave new world? Actually I think it is. And I think you do need to be brave within that.' (J5)

These responses may have been straightforward slips to a well-known phrase or a deliberate addition.

Another commentator thought it was a 'new world' for community groups, in that along with the push on Big Society and localism would put them in the spotlight.

'I think the 'new world' for them is that...the Council and other partners will start to see the value of what people do in communities that are very grass roots level, and I'd really like to think that the 'brave new world' for them is, there will be opportunities for them to access some resources and work alongside some of the bigger organisations to support them.' (C9)

One interviewee reflected if this was a 'new world' compared to previous recessions.

'If I went back to when I started my local government career in 1990: times were hard; economic; industries suffered, but it was a time when you were actually looking at government and local government actually investing in helping to turn around things. There was never a point in my life where I envisaged the issues in terms of the economy turning round, going down as badly as it did in 2008, 9. And then...' (W11)

When pressed further, the interviewee felt that he had experienced 'nothing like this'. In contrast, several interviewees thought that tracing back over the last forty years, the VCS is, despite the recent recession, still better resourced now than before, and actually is a much bigger entity than it ever was.

'But if you go back to when I started work in (names place) the voluntary sector was tiny.' 'I mean you could probably count the number of paid staff on the fingers of probably one, maybe one and a bit hands.' (J15)

Returning to the different organisations affected, one interviewee summed up the 'new world' as:

'Depends very much on the type of organisation with the sector. Because we know that there are, you know, these vast differences in the types of organisations in a sector.' (C14)

Another interviewee went on to say:

'I wouldn't put my name to analysis that said this is uniquely bad time for the VCS, but it is a changed time, and I think the voluntary sector is at its best when it able to, to to adapt to circumstances and keep in the forefront if need to ask fellow citizens to contribute to the welfare of their neighbours.' (D12)

Asked who may have shaped this 'changed time', the interviewee thought it was a combination of opportunities and accidents. But not directly through the government's involvement:

'I don't think government has shaped it in any meaningful way and indeed I don't particularly want government to believe it can, or should shape this. But clearly what government does is influential in creating a weather system, within which other things happen.' (D12)

Another respondent thought that funders will once again recognise the importance of the VCS and will need to start supporting the sector, but probably in a different way.

'...people in power start to recognise, that actually without the VCS, so we need to invest again. But it's how they invest and I think it's going to be completely different to how they invested before.' (C16)

Examining how the VCS was affected by the recession and austerity measures, no participant felt that there were organisations in the sector that were untouchable. The consequences of such a major shock would have a bearing on relationships, not only with funders and the state, but also with each other. The next section examines this.

Relationships

Before the recession

Those interviewees who pointed to events before the last recession, talked of a close trusting relationship with stakeholders, and strong networks within and across sectors.

‘And that’s where the voluntary sector is so important ‘cos if it’s anything it’s got its feet on the ground. And that’s why it’s so important to, to have that, series of relationships and trust, and the sector’s a bridge to a whole range of things that I think is really important.’ (J15)

There was an understanding that the VCS were credible partners: ‘the sector being represented, having a place around the table was really important.’ (J15). However, interviewees did warn this closer relationship would sometimes be detrimental to its independence. In one example around the developing social enterprise agenda, the interviewee talked of the government re-shaping social enterprise to fit with its own agenda at the time, with little resistance from the VCS.

‘So, this is the problem, that the third sector as it was then being called did the very thing it never wanted to do, and it became a bed partner to the government. And it was always meant to be, an independent voluntary third sector.’ (A13)

Sixteen of those interviewed commented that before 2008, there were a plethora of local strategic partnerships, national generic and thematic networks, regional networks, community, black and minority and faith networks, and many of them interacted with each other. Interviewees said that within these ‘fields’ of expertise, organisations were able to develop and grow, and understand the political and social landscape they were operating in.

'...their more important function was that space they created for sharing and learning. And building relationships. Because in the end that's what makes things change, over and beyond structures.' 'I think they promoted more time to reflect and learn. I think they were really important for that. And often across sector boundaries.' (J15)

Although one disagreed, pointing out that networks and partnerships were more like a marriage of convenience.

'I think there's inclusivity when it's 'let's get together and have a gripe' certainly, because the common enemy here is the Council. And I think it's not at all inclusive when it comes to 'there's some money around, let's all compete with each other for it'. Very little happening in partnership. Simply because the money isn't enough to do that.' (N2)

As the recession hit, the interviews drew out common responses that reduced investment in partnerships, networks and infrastructure organisations made it much harder to know what was going on, not only in the VCS but also with other partners.

The recession: austerity and different relationships

Before austerity measures were taken, a few interviewees commented that they had been used as barometers and sources of local intelligence in the past. Some argued that after 2009, local and national government were getting fundamental policies wrong because they no longer knew people and groups 'on the ground'.

'I think a lot of the time government doesn't get that intelligence which is why it gets things wrong. It doesn't actually know what's happening. So some of the welfare reform things, you think you're doing this but actually the impact is there, because you've not really looked at it properly or talked to people.' (J15)

Interviewees highlighted the coalition government's view of how the VCS should play a role in post-recession times. Sixteen interviewees believed there was less emphasis on its role as voice, and more as a deliverer of public services and its place in the market economy.

'How does the voluntary sector relate to the market, and the market economy? And how does it relate to the state? What's the relationship between the citizen and the state? And the voluntary sector is a, sort of organised form of citizenship in a way. Those two I think have been more sharply defined in latter years.' (J15)

To those interviewed who worked in the public sector, the VCS had to change to sustain playing a major part in supporting local communities.

'I now think organisations have to be very different. And I think that's why you see a range of more marketable, more marketised VCS organisations.' (R6, 8th April 2016. Interviewed by SN)

One interviewee highlighted how some see the VCS in the post-recession times.

'I think for those organisations that have a market, and I do mean a market, that they can pitch into, because VCS organisations do have a particular set of skills that are saleable I think there is a sustainable future.' (P3)

The change of relationship between funder and those being funded was, as the interviewee stated, marked.

'...there's been a chilling effect on their environment because not only is the local authority public sector commissioners much sharper in terms of what they want, but actually less accessible. And they are less

easier to get into a meaningful conversation with. Because there are fewer of them.' (P3)

A few interviewees said that this more formal relationship, with the funders looking for value driven contracts, created a problem for the VCS. One interviewee challenged a public official at an event designed to improve a council's effectiveness in procuring services from the VCS.

'I said 'I need to understand. My understanding is you are a publicly employed official. And you want me to justify why employing ten homeless people; taking them out of benefits; out of crime, and to sustainable livelihoods: you're asking me to jump through hoops to prove to you, why that's a good idea. Why as a public official, don't you get that? Because I'm trying to do that with a group of people where there's no profitability in it anyway. And are you going to give me the value of contract that will allow me to build in the cost of proving everything you want me to prove?' (A13)

Several interviewees talked of a general lack of understanding about what stakeholders required from this changing relationship. One interviewee commented that funders needed to be clearer to what it wanted from the VCS, which was not always the case. Another commented how the public sector has found it difficult to understand how they can work with VCS infrastructure organisations and rebuild trust.

'What they were saying was 'how do you see the VCS in four years' time?' So I said 'How do you want the VCS to be in four years' time?' 'Oh no no that's not what we are asking'. I said 'well, it matters, because as a result of your reducing budget, if you are expecting the VCS to step up, and deliver some of those services, not only do you need to put some investment in but you also need to do some relationship building because there's such a lot of disenfranchised groups over there.' And they don't get it.' (N2)

There was evidence from interviewees that to adapt and survive, people were changing their relationships in order to improve the life chances of their organisations. Those people and groups who would have been seen as partners in the past were now becoming competitors. This is examined in the next section.

Behaviours and sustainable strategies

The two responses below illustrate how VCS organisations have adopted different ways of coming to terms with a changing landscape.

'I think you've got some organisations who can see the way things are going, have already started to be much more different in their way of operating. And you've got some organisations who have operated along the same way for years and years and they're never going to change.' (J5)

'Some of those older longstanding organisations have suffered. They have not adapted to the new environment. So they are relying on relationships. They are relying on grant aid that doesn't exist...the competition for what money is available is much more stringent, much more demanding. Therefore, you've got to be much more professional.' (S8, 21st April 2016. Interviewed by SN)

From the interviewees, a few VCS organisations thought best to try and ride out the storm, others examined what they need to do to survive, whilst some have used this 'great unsettlement' (Macmillan, 2012) as an opportunity to expand or move into other fields of expertise, whether geographically, thematically or both.

'I think you've got two choices of how you look at this: one - you can be absolutely terrified to death; or two - and this is very much factored on, I think survival within the voluntary sector...it's going to involve visionary people, and it's going to involve people who are able to...persuade those that they work with to follow.' (J19).

This bears out further from analysis of the interviews in the following section, drawing out what coping strategies are emerging from the VCS, and how some have not only survived but thrived.

The professionalised VCS? Adapting and changing

Sixteen interviewees said **VCS organisations and charities had to think along the same lines as private sector companies in order to remain sustainable in the short to medium term**. Interviewees spoke of trying to get ahead of the pack, often changing their organisations' terms of reference or 'professionalising' themselves to compete successfully against other service deliverers.

'...many charities now regard themselves as non-profit distributing service companies who will bid competitively against each other and sometimes against the private sector for contracts offered by public bodies.' (D12)

As highlighted earlier in relationships, with more formal relationships between funders and the VCS, the expectation was changing.

'... there is a greater push for all these organisations to be professional. And because there are fewer staff in Local Authorities to manage the process, we can't hand hold anymore. These groups have got to be able to support themselves and sort themselves out.' (D1, 21st December 2015. Interviewed by SN)

From the commissioning side, funders tended to prefer this type of professional approach.

'So you've got some organisations who are incredibly efficient and almost operate like quasi-businesses...who have really impressive operations and easy to work with; easy to fund'. (R6)

Some people brought private sector PR experts in to 'potentially raise the profile of the organisation' (K10). This, they believed, would help them

secure contracts and become the 'go to' organisation for the VCS in that area.

'...that's what happens in my job, with public sector organisations, private sector organisations. I say to people 'what is it that you want from your customers? What do you want them to do? Do you want them to buy your products and services?' 'Because, doesn't matter what we sit here and say. It's what your customer wants. That's what's important. If we're not delivering that we may as well pack up and go home.' (K10)

Whatever the viewpoint, all agreed they now needed a different level of expertise, or call on people who did, in order to get the contracts.

'One of the...reasons we have been really successful in bringing money in, is because we've paid for an external bid writer, and we've developed a really close relationship with that person.' (L17, 16th June 2016. Interviewed by SN)

According to some responses, VCS organisations have simply had to change the way they operate so they become a more viable and attractive funding option for commissioners and stakeholders. As an example, a well-known national charitable organisation who operates locally, needed to increase its reach and the traditional 'turn up and queue' was no longer viable.

'We opened the door at half past nine on Monday morning and those that were stood in the queue at that time, were made an appointment. If you got to the end of the queue and there was no more appointments that week you was turned away and you had to come back in next week and try and get another slot. So we've moved away from that, from where the telephone was never answered...and we've gone from that to having really only the local authority grant funding at that time, to

being open five days a week, having outreaches erm, in six geographically spread locations. we run a telephone advice line...' (L17)

A third of interviewees highlighted the importance of social enterprises in post-recession, and how they could flourish. One interviewee from the public sector talked of the Conservative government's (2015-17) desire to pursue and develop social enterprises, and how it saw them.

'it includes this spectrum that goes from social enterprise to social business that the government is very keen on building this kind of continuum and so that's one of the solutions. (P3)

Another interviewee warned those organisations who were aiming to become social enterprises.

'...before you call yourself a social enterprise, have you identified what the market opportunity to address that social issue. If there's no market opportunity, please don't rubbish the name of social enterprise by calling yourself one.' (A13)

[Appendix Five](#) is an example of how a VCS organisation, facing a challenge to its existence, was able to adapt and change by developing a social enterprise arm, and becoming stronger and more sustainable entity whilst able to better help the people who needed it most.

Making choices, taking risks

All Interviewees reflected that **as VCS organisations moved into bidding for contracts, they now found themselves competing more than ever with each other**, and it was a stark choice of 'do you survive at all costs?' (J15) or stick to their principles.

'So, in a sense once it becomes a competition you either say as a matter of principle we will not compete, or, we are here to offer what we can do and we'll let others decide whether or not we should be trusted to do it. We were in that latter camp.' (D12)

Interviews documented several VCS organisations starting to compete with others.

'...there was an agreement that you didn't steal each other's lunch between CVSs (Councils for Voluntary Services) in this region. That's gone entirely'. (P3)

One interviewee from a large charity said it had to start thinking about wider opportunities that took them to the limit of their remit, and started encroaching into other organisations' fields of expertise and history of delivery.

'...we also then began to bid more aggressively for services which were being made available by local authorities which were frankly on the edge of our mission. So we became a contractor for (names programme), on the basis that families that were in chaos often were at risk at losing their tenancy and becoming homeless. So we could justify that to ourselves and our funders. But nevertheless that was partly in response to the fact that we believed it was appropriate to keep our range of services going and we knew we had to compete more aggressively in this 'new world'.' (D12)

The interviewee gave two reasons why the organisation had to change: a key government programme of support was coming to an end; and a realisation that the organisation currently did not have the capacity to deal with the increasing number of calls for assistance. In effect, the organisation wished to expand its activity base whilst replacing the income which government was no longer going to supply. D12 said 'we have bid against

local organisations and those local organisations have ceased to exist as a result of losing out to (his organisation).'

Five interviewees gave examples of a local infrastructure organisation who lost its funding in their own area, and decided to move into other areas in the region so it could remain sustainable. Not only taking over existing services by winning contracts with local authorities, but also diversifying into providing services.

'...the Council decided in its wisdom to give a very big contract, a very important contract to the town and its people, to an organisation that was based thirty miles down the road and had really no experience of the town and its anomalies and its idiosyncrasies that (names organisation) had. And I couldn't actually believe it when I heard that; found out what was happening.' (K10)

One interviewee understood the implications of such an action, highlighting a growing trend of funders giving contracts to national charities.

'if you're contracting and they all end up going to a national organisation rather than a local organisation and you undermine some of those local organisations in the process and perhaps some of them disappear in that process, actually you're weakening local civic society, and then we take it, then when we look at the wider Council position of saying 'well actually we're going to be doing less but we want to be doing more with people', and then you turn round and realise the people you want to work with aren't there anymore, because the circumstances have led to that.' (C14)

One respondent highlighted that whilst his organisation's activity and income had actually increased, so had the risk levels with the way they were being funded.

'I think there are many parts of the voluntary sector that essentially were able to roll on, one year to another. And I think that's a very unusual model now. Organisations have to be more dynamic and to take more risks, they have to accept more setbacks'. (D12)

Charities have sought to stretch donations further by doing things they may not have considered before.

'...but the degree to which, you would expose money that you've asked people to contribute towards charitable cause and use that as part of a business risk is I think part of the 'new world' which is worth being thoughtful about but again there are no hard and fast rules that prevent charities using that money as risk capital, at the moment.' (D12)

Some reflected on whether expansion or change of direction would really be of benefit to the VCS organisation.

'So I think sometimes we ought to be, happier to be quite small, funded as independent as we could be, able to speak out independently. And not to say 'we're about service delivery and we'll do anything'' (J15)

One example was given of a contract which ended because the outcomes of the contract were in direct conflict to the humanitarian aspect of the organisation. The interviewee explains:

'If the purpose of their contract is to, prevent re-admissions to hospital, think about the kind of people that you focus working on? You probably pick the healthiest people, 'cos actually, what you've got to show to the hospital is that you've prevented a re-admission. And what about the person that really needs the help because their health crisis is greatest. But actually, that's never going to get your contracted outcome, 'cos they are absolutely gonna have to go back in hospital again.' (A13)

As organisations moved into delivery, and in some cases part of a consortia to bid for bigger contracts, interviewees talked of them not being geared up to take them on.

'I think, they often found that the way the contracts were constructed, with payment by results, or just didn't work for small organisations structurally because they ain't got any capital, didn't work. So all the promises about 'we want to contract to a wider range of providers' didn't actually come out in an actual contract.' (J15)

One interviewee argued that funders should never place so much risk on the VCS.

'...payment by results, I think it is absolutely scandalous that a government of any colour would ever want a registered charity, or a registered social enterprise to take on a risk, when they don't exist for profit maximisation anyway. You're trying to work with the folks that cost more money to support.' (A13)

Interviewees were keen to highlight their own leadership style and decisions taken for the good of the organisation, and critique others. **It was clear from interviewees that some leaders would refuse to change their principles.** It is more important that they are steadfast to their original vision and maintain their core support, than diversify. 'They would rather go under...there are personalities and politics and jealousies.' (J5)

'I think there's still an issue around certain organisations being driven by one or two key people who won't let go. But they're hanging on in there because it was their organisation and they are very proud of it...but when you say to them 'why don't you talk to the organisation and see if you can work together' it's like 'ooh no, I need to keep my bit'. (C9)

The comments from the interviews resonate with the transtheoretical model (TTM) of change (Prochaska et al. 2001) referred to in the literature review. Some anticipated the road ahead and did something about it; others did not, and the consequences were for some organisations, terminal.

Moving in on VCS territory

It was not only VCS organisations moving in on others' areas of work. There were a number of examples given of non-VCS organisations taking on contracts that would have been traditionally set within the VCS' field of expertise. One interviewee talked of a training programme his organisation was contracted by a private sector company to give, but realised that the company were at the same time learning how to do it all themselves.

'...because that work was predominantly around social care, in the time that we worked them they now have a social care arm of their company. So they've basically told us to get stuffed because they don't need us anymore. But they used...the experience of working with us to pinch expertise or pinch knowledge to build up their own infrastructure.'

(C16)

The interviewee maintained that his organisation did not know they were being 'guinea pigs', but also 'liked the approach' as it was a useful lesson for the future.

In other interviews, examples were given of organisations moving in to take over services traditionally run by infrastructure bodies. Housing associations are mentioned as moving into new territories; new fields for them but established ones for the VCS. One Interviewee claimed that this has caused 'a bit of dismay' (T18) for the traditional VCS who find it difficult to compete with such professional organisations as they have bigger set-ups and large numbers of staff. However, in another example given by an interviewee, a large housing association contracted a smaller community organisation to

work with residents on an estate where the association was building a community hub. As opposed to draining knowledge, it gave the community organisation the skills and capacity to not only move into the building but to run it as a sustainable asset.

‘...if they can work with (names community organisation) who are trusted by the residents on...the estate which is predominantly their houses, then, the hope is that they will have less rent arrears, and more money coming in. But also be able to provide opportunities for those tenants, to develop new skills...’ (L17)

Sharing services and mergers

When shared services, consortia and mergers were raised, there was a clear division of responses of their success. Government and public sector funders who were interviewed could see the advantages of organisations with shared aims and similar *modus operandi*.

‘I think the more organised bigger groups will have to look now towards consortium working. Which they are doing to some extent: putting in joint bids with lead accountable officers and organisations who’ll take a role in that.’ (C9).

One interviewee ran a series of workshops for organisations who were subject to a merger or takeover.

‘And the first question I asked at those workshops was ‘put your hand up if you actually wanted to be here today’. Because you know, the only reason people sat in that room is ‘cos their funding was drying up. So, survival was, is a key driver.’ (A13).

Some VCS organisations did not see the benefit of mergers, particularly those based in local authority areas.

'If we merged with (names organisation) in order to share back office functions as he put it, how does that work in practice? Because they won't need or want another finance officer, they won't want or need another director, and it's those services, the payroll service same thing; it's those services that aren't funded.' (N2).

This view was not universal. One interviewee commented that it was possible to share some of the back office functions across sub-regions because organisations wouldn't care where they were buying the service from, as long as they were buying it.

Another respondent gave an example of when the Council was about to pull the funding on one infrastructure organisation because of the poor relationship it had with a previous chief executive, and the VCS came up with an idea to draft in someone from another successful and well respected CVS to run them concurrently.

'We had one of the development officers...manage the development team across the two teams of two separate organisations. We did it under contract. So, the comms was done across the two. So we modelled working together and then...this year. The two organisations had joined up.' (J15)

However, when asked if they merged, the interviewee only say 'joined up'. The two board of trustees became one but both offices were able to keep their distinct identities so they only merged many of their functions, not their front doors. This was borne out within another interview, where a large national charity merged with a smaller one who had local shops. It made sense for them to bring their organisational expertise together as the larger organisation had to 'cut and cut its regional and local teams centrally' (N7) so it drew on the resources of the smaller one which hadn't. It was also an

example of a larger organisation not aggressively taking over another, but drawing on the strengths of each to survive.

During one interview, the respondent talked of some of the smaller similar thematic based organisations and groups would be merged with larger ones as they felt their future lay within a larger entity. Many of these groups no longer had sufficient assets and in some cases did not have the ambition to move on. The interviewee went on to say about mergers that 'they are entirely healthy. I don't think that you should regard these as a sign of distress, but a sign of vitality.' (D12).

This was also raised by another interviewee, but the experience here was somewhat different.

'Payment by results; difficult one for small organisations. Right? But it's not for larger organisations. In fact it can be for larger organisations. What we found, is that you had larger organisations, using smaller organisations to say that they have the expertise to deliver a particular service. Right? And that's what we're getting all the time. And for all intents and purposes, the larger organisations, haven't merged with the smaller organisation but it's a takeover. It's a silent takeover.' (C16)

In this example, the interviewee claimed that the larger organisation used the smaller ones to 'steal' information from them, not only securing tenders but effectively moving into their own 'field' of expertise.

Each interviewee was asked if they had any experience of working with the private sector. Most had some made some connection, mainly through local partnership work, and there were some local examples given of some small-scale collaborations. However, for the purposes of this study, there was too little evidence to suggest wide-scale practice.

Conclusion

The interviews gave a candid insight to the challenges facing the VCS. Generally, people were optimistic that there was still a crucial role for the VCS, but it was not always clear what the state and stakeholders wanted from them. Whatever the case, there was less money to do it, and more competition to do it against. The larger organisations were able to adapt quickly, partly due to the more professional set-up and experienced leaders. It was the smaller and medium sized ones that were facing the most uncertain future.

Interviewees talked of other local success stories: the VCS move into social prescribing; open days to showcase their skills; becoming social enterprises and in doing so moving away from grant dependency, and one example can be found at [Appendix Five](#). Funders highlighted ideas such as mutualisation and asset management, although there was no evidence from VCS organisations that these were widely taken up.

VCS organisations had to adapt and change, they could not stand still. Some of those who did are no longer working in the sector. In the next chapter the study will ascertain if it is a 'new world' for the VCS, but what was clear from the interviews is that the world remains uncertain, complex and challenging.

Chapter 5: Discussion

Introduction

The key themes emerging from the nineteen interviews are set against the literature review and theoretical study to discuss how those in the VCS reacted and adapted to post-recession challenges. The study argues that this is not a 'new world' for the voluntary and community sector (VCS) but is a tough and challenging one, and discusses options for organisational longevity to those who work in and with the sector.

Is this a 'new world' for the VCS?

The study gathered evidence from the literature review and interviews and most commentators revealed a more complex and changing world for the VCS. During the interviews, in direct response to the question '...is this a 'new world' for the VCS?', six answered 'yes' without hesitation with a further five pausing before also answering 'yes'. One of the respondents was not overly confident but thought it was. The other seven did not think so, with most giving descriptions that suggests difficult times for the VCS. During all nineteen interviews, each participant had the opportunity to describe 'new world' how they wished to, whether positive or negative: 'changed' (D12); 'stark' (D1); 'a new experience' (C16). Four interviewees called it a 'brave new world'. In the literature review, the study found evidence of new opportunities for the VCS, but whatever world the sector faced since the recession, it was not reported as a better world than before. Macmillan et al. (2013) call this period 'unsettled times', Taylor et al. (2012) argued that the initial rhetoric of 'crisis' was better replaced by a 'mixed picture', although each of their work was published shortly after the recession, so it was difficult to know then if there would be a long-lasting effect on the VCS.

The study examined the historical context and charted the rise of the VCS against key events or ideologies, to identify any similarities to the

contemporary situation. It discovered that with today's challenges there are echoes of the past. The Conservative governments from 1979 to 1997 advocated rolling back the state and creating opportunities for the VCS to deliver public services (Osbourne and McLaughlin, 2004). The contemporary situation points to the same, with the VCS is being seen as a key deliverer of services and some having to redefine their purpose and role (Bennett et al. 2015). Even with a wealth of support for the sector in the late 1990s, the Labour government talked of market solutions to social problems (Davies, 2011), effectively continuing a neoliberal agenda re-emerging in previous Conservative governments (Harvey, 2005). What strikes most commentators as different is the environment being harsher today than previous 'shocks' of economic downturn and government based ideologies. Those interviewed who experienced the recession in 1990 noted that the VCS, amongst others, still expected the then Conservative government to find solutions, and ultimately funding.

The changing expectations of the VCS points to one of the reasons why a number from the sector have been left behind, going against the grain of long-held beliefs of some of those people who joined it. Seen traditionally as honest, transparent and the go-to sector for those need to reach communities and individuals, the notion of organisations having to become competing, win at all costs entities was an anathema to four of those interviewed, and did not buy into marketization. However, from both the literature review and evidence in fifteen interviews, there are others in the VCS who see opportunities. It may be going too far to equate the current plight of the VCS as 'survival of the fittest' but around two-thirds of interviewees admitted that being presented the choice of 'fight or flight', they chose to compete, sometimes against each other.

Whilst these set of circumstances facing the VCS could be construed as 'new', this thesis concludes it is not an entirely 'new world' for the VCS. Many of the issues and challenges facing the sector have happened before: stakeholders' desire to 'professionalise' the sector (Davies, 2011:19); funding gaps and reductions of direct support (Deakin, 1995); market solutions to

social problems (Cahill 2012); ideology focusing on smaller government (Conservative Party, 1983). What is striking is that so many challenges are now happening at the same time, causing four interviewees to claim it was a 'double whammy' for the VCS, increasing pressure on frontline services with less funding to deliver.

The impact of austerity and new policy thinking on support to the VCS

The NCVO almanac (2017) stated in 2014/15 voluntary sector earned income rose by £0.7bn to £24.8bn with most sources of income also increasing, but this masks a change of how income is generated. The literature review and interviews highlighted the plight of smaller local organisations as direct grants reduced significantly, and stakeholders were no longer routinely funding campaigning or 'voice' groups. This has created a service driven sector which can only largely survive through contracts (Macmillan, 2011). There is growing evidence that the larger charities are benefitting from such a change, borne out by the latest figures in the NCVO almanac (2017) where those with an annual income above £1m may account for 3% of the total number of charities but generate 80% of the sector's income. Some of the interviewees were candid about competing for contracts with local organisations who had traditionally delivered these services, stating it a small price to pay in order to remain sustainable. From the interviews, there was no major dispute that in general, community groups are small enough not to be affected, but that is not universal.

The changes in rhetoric and ideology from the Labour government (1997-2008) to the coalition and Conservative governments (2010-2017) points to a shift in direct support to the VCS, although the literature review identified an earlier move; the Labour government's reaction as the recession loomed. Interviewees confirmed this, speaking of how the government realised it could no longer sustain the type of financial support for the VCS.

The coalition government's adoption of the 'Big Society' and 'localism' along with initiatives such as community right to buy, raised in interviews (J15), and social impact bonds (Edmiston and Nicholls, 2017), was government wishing to transfer power and decision-making from the state to localities. There was no alternative offered to Big Society, and this policy was not rolled out in a strategically planned way but, rather, championed by a dominant Conservative party in a coalition government (Ishkanian and Szreter, 2012). The coalition government did, however, continue some of the previous Labour government's work, such as the mutualisation of public services and contracting out to the VCS (Alcock, 2010). The literature review charted early cautious support to later indifference to Big Society (Macmillan, 2013), whilst almost all interviewees thought there was nothing behind Big Society except rhetoric. This did not prevent the government re-introducing the Big Society in its manifesto (Conservative Party, 2015). Ultimately, many private sector companies were awarded large parts of big public contracted-out programmes as they were able to take on the risks associated with such a large-scale piece of work. Interviewees commented on the transfer of risk to VCS organisations and whilst some accepted this was part of the new 'rules of the game' (N2, N4 and N7), others thought it 'scandalous' (A13) that the government should think it was acceptable that a non-profit organisation should have to take this on.

Big Society rhetoric had some influence on policy. The Localism Act (2011) and the Welfare Reform Act (2012) were in line with Big Society principles of reducing state control and opening out public services (Office for Civil Society, 2010b), whilst the Compact (2010) was re-invigorated as a way for the VCS to help support communities in the manner the Big Society had set out in earlier public documents (Office for Civil Society, 2010a). What cannot be dismissed though, is that Big Society policy will always struggle set against the backdrop of continued austerity and Conservative ideology, and as one interviewee put it:

'I think people started to look a little bit closer to home and sort of looking after number one rather than focusing on you know, other people in society and how they could actually help.' (K10).

The coalition government adopted the term 'civil society' (Office for Civil Society, 2010a, 2010b), broader than the voluntary sector and included less formal and self-organising groups (Evers, 2010). The government even re-named its part of the Cabinet Office to 'Office for Civil Society (Cabinet Office, 2010). This did not give room to less 'civil' campaigning organisations who disagreed with the government rhetoric, and in sixteen interviews raised question marks over the future of those who advocate for the VCS and champion their cause. With such a push on service delivery and core costs only being considered as part of the contract, it was those organisations who were more aligned to the state's ideas that would be able to sustain an income (Macmillan, 2011). Other groups have always received support whether from donors or different routes, but there was no longer a direct funding source for those more traditional infrastructure organisations who support marginalised groups. Historically supported by grants from local government, nearly all of those interviewed highlighted the reduction of council budgets had a major detrimental funding effect to these type of VCS organisations. It is unclear whether the cuts are a cover for stakeholders to stop funding these organisations who may have divergent views. The reality of the situation is that as less funding is available, commissioners can see the benefits of supporting, say, a rape and sexual abuse service but would find it difficult to justify giving money to those infrastructure organisations who also support this service in its day-to-day running. As one interviewee (C14) revealed, it's easier for a funder to justify resourcing organisations who tackle crime or focus on children and young people, but harder to give money to the organisations who support them.

The study therefore concludes that austerity and new policy thinking did translate into reductions in support for significant aspects of the VCS, but not in all cases. The reduction in direct funding to councils had a knock-on effect

for those VCS organisations who had historically relied on grant support in the past, but these organisations were also changing with more commissioning and less direct payments. The shift in rhetoric, and slogans such as 'we're all in this together' (Cameron, 2009) belie the stark challenges created by the recession and subsequent austerity measures. Big Society may be more successful when there is less pressure to introduce it partly as a way of dealing with huge fiscal challenges.

Sustainable strategies: from collaborators to competitors

Many VCS organisations are now faced with uncertain futures and the study established that whilst some organisations were prepared to ride out the storm, others decided to take action. The literature review did not uncover a great swathe of sustainable strategies but the interviews highlighted examples, some of which pointed more towards survival tactics than longer-term planning. For some, it meant making difficult decisions of branching out into new territories and changing their own terms of reference. All interviews highlighted choices leaders had to make, and for some this would be to stay true to their own beliefs and principles - why they wanted to work in the VCS; for others it meant thinking like private sector companies to secure the contracts. In effect, each interviewee's own habitus influenced the path they decided to take.

There are examples throughout the thesis of non-VCS organisations moving into traditional VCS territory, although it is not known if this was a deliberate strategy of expansion or a reluctant survival tactic. One interviewee pointed to organisations with 'no local investment in the area' (N2), others seeing these moves as aggressive and taking over areas of which they were the experts and had the necessary experience (K10). The interviews also uncovered examples of other VCS organisations 'parachuting' in (N4, 8th March 2016. Interviewed by SN) to take over services the local VCS had always delivered (J19, K10, P3), one pointing to 'predatory charities' (J5). These moves were encouraged by changes from traditional grant funding to commissioning (Bagwell, 2015). Long established 'fields' which had

traditionally been the preserve of local organisations were suddenly under threat. Macmillan et al. (2013) focused on how VCS organisations were dealing with the changing economic and political landscape, using 'fields' as an example to illustrate how they positioned themselves, progressed or simply survived, often relative to other similar groups. This present study has continued on this path and developed it from the interviews, understanding how the VCS reacts and adapts to 'shocks' such as the recession, and how other forces can influence the space it occupies. It was interested in the behavioural responses of those involved in the VCS. Bourdieu's (1998) 'field', 'habitus' and 'capital' concepts and 'strategic action fields' (Fligstein and McAdam 2011) were important in attempting to understand how organisations and their leaders behaved and operated in such an environment. From the interviews and literature research, a contemporary picture was formed of how VCS organisations can be involved in and with a number of fields depending on the type of organisation itself.

The interviewees talked of what they witnessed, including changing behaviours of the VCS (P3) and different attitudes from government (J15) and funders (A13). Previously, leaders and those organisations that people belonged to operated in a particular field where it would co-exist with other like-minded or similar types of organisations. This relationship was disrupted by a series of outside 'shocks' which were drawn out during the interviews. Participants spoke of the fields organisations operated in were different pre-recession with many understanding the 'rules of the game' ('doxa') and who they could contact for advice support and in some cases to pursue causes on their behalf. After the recession, interviewees struggled with a new 'doxa' as outside events would change the behaviours of some from partners to competitors. Fields occupied by statutory organisations and policy makers were further influencing behaviours and actions of VCS organisations. Figure 2.4 demonstrates the congested and complex nature of fields occupied by government, the private sector and the VCS.

When interviewees were asked whether they had seen examples of organisations moving outside their comfort zone, overstretching themselves,

or moving into other people's territories, answers were forthcoming and examples were plentiful. Interviewees admitted that is what they had to do themselves in order to survive. All had to consider why they had come into their particular line of work, and whether their organisation was still true to its vision, aims and objectives. There are examples within the interviews of great resentment towards what they see as aggressive acts against them. Some took it personally, others thought they needed to take on private sector principles which they drew on from their past experience. The fields that they operated in, where there was an understanding that each would not step on other's toes, had become open to new organisations, some from different sectors. It was now much harder for those leaders to obtain funding; they had lost their long-standing contacts and they needed different skills to secure contracts. The shock of the recession and different ideological thinking from new governments not only changed the goalposts but the whole 'field' for many in the sector.

For some, VCS moving into new directions worked, but as one interviewee points out below, some organisations simply overstretched themselves.

'...and if you've got a governance which is based on a local development trust which may have...the odd local councillors, local residents, and the odd senior manager from some service somewhere, those people are not necessarily able to oversee an organisation that is running several programmes, involved in several different capital assets, juggling all sorts of contracts. Therefore, you've got cash flow issues, you've got risks about asset values, you've got risks around staff and TUPE, 'cos a lot of these organisations [are] taking these kinds of risks on...and all of these operations are delivering a large number of small margins. So if one of them goes bang in a big way, the resilience of you to cope with that is pretty difficult.' (P3)

[Appendix Five](#) features a local VCS organisation who changed the way it operated in order to carry out its aims and objectives of helping homeless

people, specifically single people needing support. The organisation had lost its contract with the Council which meant loss of funding but conversely was no longer bound by strict criteria and freed up to seek out flexible ways of funding to support its own ethos. It created two businesses as part of its trading arm and with the money it was now bringing in, the organisation was able to create an alternative offer for homeless people. In effect, it had gone back into the field it was originally operating from and changed it irrevocably.

A pattern was emerging from the interviews where participants, from whichever sector they worked in were experiencing organisations moving in and out of each other's spaces, or 'fields' more frequently than before the recession. Most put it down to: less money available; a shift from stable grants to commissioning; national organisations flexing their muscles; medium sized organisations working closer together, or completely against each other to secure their future. One interviewee stated 'no individual organisation has the divine right to a particular space...' (C14).

Unless VCS organisations know the field they are operating in; e.g. their potential competitors and the shocks generated by other fields (such as those occupied by the state), they may not be in a position to survive long-term. For leaders of those organisations, being unaware of their particular fields would leave them at a disadvantage compared to those who were conscious of their positioning, and how they could improve this for themselves and their organisation. By understanding these dynamics, they are able to plan and develop sustainable strategies, drawing on their 'habitus' and using organisational 'capital' to gain advantage and through foresight could help change the 'doxa' - rules of the game.

Leadership and organisational change

The literature review discovered that tailored change management support for leaders in the VCS was scant compared to private and public sectors, whilst interviews demonstrated examples of both strong and outdated forms of leadership in response to the challenges they faced. They confirmed that those who were steadfast to their organisation's original ethos may have kept their identity and independence but ultimately were the victims of changes outside their control (J5, S8). Some voluntary organisations simply ceased to exist because of a leader's stance, as others fought to change the way they operated to secure service contracts (L17). But whilst interviewees reflected on how their organisation has had to step outside its comfort zone and diversify, it was not as easy for a director or chief executive to do as they may have a board and a membership to satisfy first (J5). These type of leadership examples link to the Transtheoretical Model (TTM) of change developed by Prochaska and DiClemente (Prochaska et al. 2001). The model displayed several stages in the change cycle which could be matched leaders who were more developed in their behaviours. It was helpful in analysing who were more resistant to change and who were ready to face difficult issues such as redundancy and re-alignment so to preserve longevity for their organisation. Those that fitted into the TTM's pre-contemplation and contemplation stages were aware of the challenges ahead, but would not consider, or only in the future consider re-organising. This applied to leaders or staff in organisations, with examples given in the interviews of if one of those were resistant, the organisation was likely to fail. Those who were in the determination/ preparing stage would normally prevail, but a combination of this and an understanding of the fields they were working in would increase chances of success. The language in interviews was a useful way of determining those who had bought into change and those who did not. Those leaders who were making organisational changes talked of applying 'good management standards' (D12), positioning itself 'where the gap is' (A13). This was in sharp contrast to those who hadn't changed and concluded that 'none of them would fund anything like this' (N2).

This study contends that if organisations swapped those leaders who were steadfast in their principles (identified as being in the pre-contemplative stage of the TTM) for those who were geared up for change (preparation and action stages of the TTM) and understood their own and others' fields, they would have better chances of survival. That may mean a restructure and re-positioning to compete with others and turning an organisation into a professional service deliverer which may also leave no room to flex its voice and campaign on behalf of those it was set up to do: the contracts would not allow it.

Professionalising the VCS: loss of voice?

With the proliferation of a contract culture and the loss of direct grants, managers and leaders have learnt to think like the private sector, turning VCS organisations into professional service deliverers. Words that used to be associated with the sector such as 'innovation', and 'challenge' have been replaced by 'business-like' and 'performance'. The literature review revealed VCS organisations competing with others in the private and their own sector, although Osbourne and McLaughlin (2004) and Lewis (2005) charted this process earlier, following the 1979 Conservative government's desire to increase the role the sector played in public service delivery. Interviewees talked of 'professionalising' the VCS, with examples of organisations bringing in expert help to successfully bid for contracts and leaders adopting private sector strategies in order to deliver services (J19, K10).

Successive governments have championed social enterprises as important players in public service delivery (Office for the Third Sector, 2009; Office for Civil Society, 2010b) and a number of those interviewed have direct experience with three spending a large part of their careers in the field. They talked of the great benefits they can bring: they know how the VCS and private sectors tick and are able to work across both to great effect. Two interviewees are currently managing social enterprises that continue to withstand the pressures of austerity. The study noted that one of the social

enterprises generated income from its training arm, and used its surpluses to support smaller organisations to deliver on the ground without being tied down to statutory funding. The other has a commercial trading arm so it can use its profits to invest in supporting homelessness in the borough.

Whilst much of the literature in this area provides examples of the VCS dealing with the consequences of the recession, there appears scant evidence for the VCS coherently challenging new ideologies or standing against them. Bubb (2007) argues it is entirely possible to have an independent VCS whilst delivering services, although this is contested by Whitfield (2014). The conclusions the study draws from the literature was that there was a reluctant acceptance to the austerity measures. Compliance may be a hangover from the closer relationships with the previous Labour governments and the development of partnership working (Lewis, 2005). The interviews brought out strong views; some were clearly very angry by the events since the recession but none talked of rousing themselves to fight against them. In fact, the study observed from the interviews that organisations found less time to talk with each other and find space to network as they focussed on survival (J15). There is anecdotal evidence that as the funding has receded for these type of activities, so have the notions of partnership and networks. Interviewees highlighted this area in particular as many now see as a luxury, and could be linked to where they are on the TTM's stages of change.

Changes to relationships between stakeholders and the VCS

The study refers to relationships in the past between the funders and those being funded, and is also highlighted within the interviews themselves. The recession has triggered a substantial 'churn' in both the public sector and the VCS, resulting in long-standing relationships being broken up (C9). The loss of these relationships have been problematic to many in the VCS, citing a deficit of knowledge in this field and therefore harder for organisations to justify why their work is so important (N2). This type of relationship has been crucial to the continued funding of the VCS as in the past it has given them

access to people who have influence (P3). Interviewees talked of those better organised in the sector having the greater chance of knowing what potential funders are thinking and how they may be able to access funding down the line.

Mergers and sharing services

Mergers and sharing services were seemingly not for everyone, but it is clearly a viable option for those organisations struggling or seeking to develop. A small number of those interviewed saw it as a watering down of their own organisation from a position of stability before the recession. Almost a third of participants were prepared to consider sharing services or merging as a way of continuing the organisation's aims and objectives, adapting to the situation and changing in order to survive.

By the tone of the responses in some of the interviews, mergers were seen as aggressive and as an invasion into other organisation's territory (C16). This is an example of how fields can be occupied by those who may not have done so in the past. Not all are of not the same mind-set with one participant commenting mergers could be seen as 'healthy' and 'a sign of vitality' (D12). Macmillan et al. (2013) use mergers and acquisitions as an area of focus when understanding how organisations operate in various fields, and through the study's interviews there was a correlation with those who saw mergers and collaboration as a viable option in progressing, and an understanding of the fields they were operating in.

Conclusion

In drawing the review of available literature together with the nineteen face-to-face interviews, a contemporary picture has been painted of the challenges facing the VCS. Whilst not strictly a 'new world' per se, elements of previous recessions and ideology make it a uniquely difficult time for many in the sector, but not all. Clearly, government ideology has not translated into a healthier and more vibrant independent sector, with leaders and managers

having to think along the lines of private sector competitors in order to compete for contracts. Infrastructure organisations are no longer seen as vital to statutory organisations or the government and whilst the advent of technology has had an enormous beneficial effect for smaller groups, voice and representation, networking and partnership working are not at the top of the government's list. This study argues that without such involvement from the VCS, policies can falter and become a series of piecemeal initiatives as Big Society has demonstrated.

In the final chapter, the thesis will return to the recurring themes and make a number of recommendations, including potential areas for future studies.

Chapter 6: Conclusion

When embarking on this research, the study posed the question if this is a 'new world' for the VCS. What this study has raised are different perspectives, whether from the detailed literature review, or the extensive interviews with nineteen participants. The author's own understanding, learning and knowledge has increased as the research has developed, and with it further insights into how the VCS has been affected by the series of major events that started with the announcement of one of the deepest recessions in a generation. In this chapter, the findings of the study are summarised, highlighting potential areas of development for the VCS, statutory funders and policy makers, and concludes with some possible areas for further research.

Reviewing the research's aims and objectives

The aim of this study was to examine and map what this 'new world' was for the voluntary and community sector, if it was indeed new, and to propose and present sustainability strategies emerging from the voluntary and community sector.

During the course of this thesis, the study identified key 'shocks' affecting the VCS, discussing whether these set of events translated into a 'new world'. The study drew together current research that focused on the shift of a policy landscape, already taking place when the recession was formally announced early 2009. It then examined further back in history to investigate if this discourse had emerged previously. It analysed how the sector reacted, behaved, adapted and coped with austerity measures and emerging government ideology. By conducting nineteen semi-structured interviews with leaders from local and national organisations and across sectors, the study was able to gain a contemporary insight of how the VCS was dealing with such challenging times.

Themes, findings and conclusions

By studying the effects on the VCS, a number of themes around the sector emerged. A 'squeezed' VCS, particularly those organisations supporting others and had traditionally been grant-funded, who were now in a position of vulnerability due to a combination of reduced funding and an increase in those requiring help and support. A changing VCS, where organisations' longevity was predicated primarily on survival strategies as opposed to a long-term vision. A professionalised VCS, where organisations would move out of their comfort zone to compete and bring in expertise to help secure contracts. A resilient VCS, one that despite cuts in funding and where traditional organisations were ceasing to exist, was still growing and continuing to play a crucial role in society.

The study also revealed a coalition government whose rhetoric of transferring power away from the state and to communities wasn't matched by coherent policy and targeted support. It believed that the VCS could be the perfect vessel for service delivery, but many of the big public service contracts were delivered by private sector organisations and aside from the large charities, the smaller organisations were unable to compete effectively.

By undertaking a theoretical approach around field, habitus and capital (Bourdieu, 1998) as a way of understanding relationships in the VCS and how the it reacts to 'shocks', and the Transtheoretical Model (TTM) of change (Prochaska et al. 2001) as an opportunity to gauge how VCS organisations and their leaders react and adapt to new circumstances, the study has attempted to draw conclusions what the world facing the VCS post-recession actually means for it and pull together indicators of sustainability. It has uncovered why some organisations survive and others do not.

Evidence from the literature and interviews pointed to a VCS with diminishing voice and influence. To maintain its independence, the VCS must be able to campaign and challenge, but with the loss of grant funding and the

proliferation of a contract culture, this is no longer a priority for either government or many in the VCS. Government should recognise that a strong and vibrant VCS ensures those most in need are supported and injustices are challenged.

Recommendations

The recommendations below arise from the study and offer some suggestions for policy makers in government, statutory providers including local authorities and the VCS. These sectors and bodies are interdependent of each other and all should each take responsibility for building an independent and thriving VCS.

- This study recognises that a better offer of tailored organisational and leadership support to VCS organisations would increase their chances of longevity. Presently, there are very few programmes that cater specifically for VCS leaders and managers faced with such challenges post-recession. Coverage of support is patchy with more help available in London and major cities. Initiatives such as 'Cascading Leadership programme' (The King's Fund, 2017) are welcome but this is focused on health and wellbeing. Wider support would be timely with an uncertain future ahead. This support should have direct involvement from the sector itself by bringing together those managers and leaders who have successfully steered their own organisations through difficult times.
- In the meantime, VCS leaders should seek out more generic support in dealing with change, and accept that the challenge of change will become a constant in their day-to-day work. VCS leaders should understand the fields they operate in, and how other fields (such as those occupied by statutory funders or large charities) can affect their own space. By developing an awareness of habitus, and how this can influence what they bring to the workplace, along with utilising types of capital to further their goals, leaders can position themselves in a way which could help sustain their organisation.

- Studies into successful private/ voluntary collaborative working, particularly at local level would help improve understanding by commissioners and stakeholders that VCS organisations have different qualities and strengths to private sector competitors around public service delivery. Suggested further research into how more collaboration between the private and voluntary and community sectors could be widely supported, and should be considered for future contracts. Private sector companies are capable of dealing with risk and liabilities; many in the VCS have the trust of the communities they work with.
- Currently, the responsibility for civil society has been transferred to the Department for Digital, Culture Media and Sport. Those policy leads involved in and with the VCS could consider how good quality infrastructure organisations at local and national level could be supported long-term. By revitalising local support infrastructure, smaller organisations would be in a position to deliver local solutions and so helping the Government in its support reducing inequalities between and in communities (Conservative Party, 2017). It would also help to re-invigorate the relationship between government and the VCS which will help to promote a stronger civil society. Evidence from interviews has highlighted that infrastructure organisations are not universally effective in supporting others and being a voice of the sector, but there are enough examples of good working practice to support sustainable models.
- The recession and subsequent austerity measures meant VCS organisations focusing on survival, and not actively challenging government policy if they did not agree to it. The findings suggest that without a strong campaigning and representative voice, the VCS will continue to struggle as an independent sector and to affect change. There is potential for government to recognise a strong and vibrant sector will help reduce inequalities in and across communities, highlighted in its 2017 election manifesto. Large national VCS organisations such as

NCVO have some training and support available, but by revitalising networks and partnerships across the sector, a return to more collaborative work and successful outcomes can be achieved. Also, if the Compact is to be a success, these principles should become common practice at local as well as national level.

Today and the future

This thesis comes at a time of further uncertainty for the VCS. On June 9th 2017, one day after a snap general election, the Conservative Party returned a minority government with their primary focus negotiating a deal for the UK as it exits European Union in 2019. There have been no big spending plans announced and the signs are that the public sector will continue to be under close financial scrutiny. On 15th June 2017, Tracey Crouch MP was appointed as new Parliamentary Under-Secretary for Sport and Civil Society (Department for Digital, Culture Media and Sport, 2017). It is not clear what this move signifies for the VCS and whether this is a move up or down the list of priorities for government. It may be only now that the VCS is truly facing a 'new world'.

This is emergent research in post-recession times, and further study into this area could include an investigation in how the Conservative government (2015-2017) and the present government (2017-) has changed the way it supports and works with the sector. Other potential studies could focus on developing organisational change models tailored for different organisations who occupy the VCS, and more detailed interrogation of the sociological theories of field, habitus and capital in context to the sector's changing environment.

This study is important to a number of audiences. For government, it is a contemporary commentary of the effects of austerity and new ideologies, and how these can change a sector irrevocably. For the VCS, it suggests some

strategies that may help organisations survive and grow. It gives an insight to how the VCS behaves post-recession and by understanding their 'fields', 'habitus' and 'capital' as a way of understanding whether leaders and managers choose 'fight' or 'flight' in response. For new organisations, this research can help them become better equipped through improved knowledge and expertise, to deal with future economic shocks and policy changes.

Reflections from the study

When embarking on this research, the author thought the question raised in the study would be a straightforward one to answer. However, through detailed literature research, exploring theories of change and testing these out in interviews and analysis, the contemporary picture became complex and often contrary in views and experience.

If the author returned to the study armed with the information and knowledge he has acquired, he would have liked to test out Transtheoretical model (TTM) of change and Bourdieusian approach to longitudinal case studies, possibly focusing on organisations similar to that highlighted in [Appendix Five](#). Using case studies, the research may have also revealed where leaders were on the TTM compared to staff in organisations, giving a more detailed analysis. Time limitations prevented this, and interviewing nineteen participants became somewhat resource intensive. However, each interview brought out valuable viewpoints and by studiously transcribing each one the research was able to gather a rich picture of the VCS as it is today.

Reflecting on the experience of undertaking this study, the author has understood the importance of this academic research and has learnt many new skills along the way. As highlighted earlier in this thesis, this has been a 'voyage of discovery'.

Appendices

Appendix One: References

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Appendix Two: Participant Information Sheet



Manchester
Metropolitan
University

— Cheshire —

Department of Interdisciplinary Studies



Manchester
Metropolitan
University

— Cheshire —

Responding to a New World? A qualitative study of change in the voluntary and community sector in England since 2009

Participation Information Sheet

1. Your Involvement

I would be grateful if you would be willing to take part in this MA (research) study. Before you decide you need to understand why the research is being done and what it would involve for you. Please take time to read the following information carefully. Ask questions if anything you read is not clear or would like more information. Take time to decide whether or not to take part.

2. Purpose of the study

The purpose of this study is to investigate and analyse how the voluntary and community sector has faced, coped, adapted to and survived a range of austerity measures and new Government ideology, and to provide examples of sustainability strategies.

Since the coalition Government came into power in 2010, discourse has focused on building a stronger civil society, which continues in 2015. As a result, there has been a reduction in direct support to the voluntary and community sector, who are seen as playing a part in this new ideology, but not having ownership. Having experienced one of the deepest recessions in a generation, many in the voluntary and community sector are now having to make difficult decisions, which has meant merging or diversifying for some, closure for others.

The study will demonstrate what this 'new world' is for the voluntary and community sector: whose it is, whom is it serving? Who is it affecting? It will also present new sustainability strategies emerging from the voluntary and community sector. By undertaking this work, this study will provide insights for professionals working in the sector, researchers in the field, and for

government officials who shape policy that affects the voluntary and community sector.

3. Why have you been invited?

This study will gather in-depth qualitative data about how the sector is changing, adapting or facing further uncertainty. One of the methods I will be using is a face-to-face interview. I have identified a number of people who have worked extensively in and with the public and voluntary and community sectors. These include chief executives and senior managers of local and national voluntary and community sector organisations, policymakers in Government and others who exert influence in voluntary and community settings. You have been identified as one of those people who will be able to contribute to this study.

4. Taking part

Taking part in this study is entirely voluntary. I will describe the study and go through this information sheet, which I will give to you. I will then ask you to sign a consent form to show you agreed to take part. You are free to withdraw at any time, without giving a reason.

5. What will taking part involve?

I will ask you a number of questions/ themes, which are pre-determined and can be sent to you in advance of the interview.

The interview will be semi-structured. This means that I will have a number of set questions/ themes as highlighted above, but the interview will allow for an open discussion, so that suggestions, ideas and lines of questioning to be considered as a result of what you might say.

This interview is likely to last between 1 and 2 hours. This can take place at your place of work, or I can arrange for you to meet me at my place of work (currently either Department for Communities and Local Government in Leeds, or Rotherham Metropolitan Borough Council).

If none of the above is satisfactory, we can arrange a suitable neutral venue or conduct the interview by telephone if necessary. The choice is entirely yours.

The interview will be recorded. This is so I can make sure I am not using up time to take contemporaneous notes and we can explore lines of enquiry. A full transcript will be made available to you on request, and you can withdraw from this process at any time up to publication.

It is not expected I will need to see you for a second interview unless we agree that because of time, it is suitable to do so.

6. Confidentiality

Your confidentiality will be safeguarded during and after the study. In accordance with the Data Protection Act 1998, I will be following strict procedures relating to handling, processing, storage and destruction of any data collected.

To that end, I will ensure that:

- Individual participant research data, such as this interview or data collection will be anonymous and given a research code, known only to me. However, for my MA (research) I may need to share information with authorized persons within Manchester Metropolitan University, such as my supervisor.
- A master list-identifying participants to the research codes data will be held on a password protected computer accessed only by me.
- Hard paper/taped data will be stored in a locked cabinet, within a locked office in Rotherham MBC, accessed only by me.
- Interview recordings will be uploaded to a computer and then immediately deleted. Electronic data will be stored on a password-protected computer known only by me.
- If further research is undertaken in this field, information will be retained for no longer than 5 years from date of publication and will be disposed of securely after such time.

Any information used will be exclusively for this study, and any future directly related study I undertake no later than 5 years from publication of this one.

7. Withdrawing from the study

If you decide to withdraw from the study, all the information and data collected from you, to date, will be destroyed and your name removed from all the study files.

8. Publication

This study will be published in accordance with the guidance from Manchester Metropolitan University and a copy will be made available to you should you wish to see one. You will not be identified in any report or publication unless you have given me your consent.

9. Contact

If you have any queries about this study including my methodology, do not hesitate to contact me at steven.nesbit@btinternet.com

If you require further advice about your involvement or general information about the research, please contact my supervisor, Geraldine Lee-Treweek at G.Leetreweek@mmu.ac.uk

Appendix Three: Interview Consent Form



Manchester
Metropolitan
University

— Cheshire —



Manchester
Metropolitan
University

— Cheshire —

Department of Interdisciplinary Studies

Informed Consent for Involvement in Interviews

(Both the investigator and participant should retain a copy of this form)

Name of Participant:

Investigator: **Steven Nesbit**

Project Title: **Responding to a New World? A qualitative study of change in the voluntary and community sector in England since 2009**

Ethics Committee Approval Ref: IDS/ SN

Participant Statement

I confirm that I have read the Participant Information sheet for this study and understand what is involved in taking part. Any questions I have about the study, or my participation in it, have been answered to my satisfaction. I understand that I do not have to take part and that I may decide to withdraw from the study at any point without giving a reason.

Any concerns I have raised regarding this study have been answered and I understand that the investigator will address any further issues that arise during the time of the study. I therefore agree to participate in the study.

I agree to allow the interview to be recorded. YES ☐ NO ☐

I agree to allow direct quotations to be used. YES ☐ NO ☐

I wish my identity to remain anonymous. YES ☐ NO ☐

I am aware that I am entitled to stop the recording of the interview at any time if I feel the subject matter has become too sensitive for me to discuss. I am also aware that I am entitled to stop the interview entirely should I wish to.

Signed (Participant)

Signed (Investigator)

Please provide a contact number in case we need to get in touch with you.

Telephone

Appendix Four: Outline Interview Questions

1. What is your current role?

- When did you come into the sector/ Government?
- How/ why did this come about?
- Can you plot the key milestones that have affected the VCS during your career?

2. For the Voluntary and Community Sector - What has been the effect of the austerity measures and new ideologies on your organisation?

For the Public Sector - What do you think has been the effect of the austerity measures and new policies on the voluntary and community sector?

3. *(Explain the background to the following question. How a series of outside forces have prompted me to ask if this is a new world for the VCS.)*

Do you think this a 'new world' for the Voluntary and Community Sector?
(this is a yes/ no answer)

- If so, what do you think this 'new world' is? Are there other areas it is affecting? Benefitting? Who do you think is shaping it?
- If not, why not? What has stayed the same?
- In your experience, have there been any other previous policies or changes that have had a radical impact?

4. How do you think voluntary and community sector organisations have adapted and changed since the peak of the recession in 2009?

- What type of response have you seen within the sector? From organisations and groups?
 - Examples of organisations overstretching themselves (capacity and capability)?
 - Examples of organisations overstepping their expertise?
 - Examples of those organisations willing to step out of their comfort zone?
 - Jockeying for position within the same fields of expertise?
 - Winners and losers?

5. How do you think voluntary and community sector infrastructure has adapted and developed? Or do you think it has remained static?
 - Is there inclusivity across and in the sector? If so, has this been challenged over the last few years? If not, why not?
 - Have networks played their part? If so, how? If not, why not?
6. For the Voluntary and Community Sector - As an organisation, what strategies have you put in place to survive/ adapt or move forward?
 - Have you:
 - Restructured?
 - Made people redundant?
 - Recruited?
 - Skilled up the organisation?
 - Worked with new partners?
 - Shared services?
 - Merged?
 - Repositioned your organisation?
 - Changed any of its core values/ goals/ aims?

For the Public Sector – What examples have you seen of Voluntary and Community Sector organisations adapting and changing since 2009?

Have you been part of any strategy/ policy/ initiative to support the Sector?

7. What experience do you have working with the private sector?
 - Do/ have you see(n) those in the private sector changing the way they see/ work with the sector?
8. Do you have anything else you wish to include which may help in my research?

Appendix Five: How a local VCS organisation survived and thrived producing a better service for homeless people

This is an example of how a VCS organisation that had run on a long-term local government contract was now facing a challenge to its existence, and how it was able to adapt and change to become a stronger and more sustainable entity whilst able to better help the people who needed it most.

'She has totally turned that organisation on its head, and totally changed the way the charity looks at the homelessness model' (K10, 28th April 2016. Interviewed by SN)

'I mean a very good example of something very innovative is, MTVL2 and MAVL14 and their [names] trading arm if you like, and bringing in revenue, which is flexible revenue which enables them to deliver their core aim of around homelessness services.' (C14, 9th June 2016. Interviewed by SN)

MTVL2 is a single purpose homeless service charity. J19 was interviewed for the study in her role as Executive Director of the organisation. Having a long and distinguished career in the VCS, she applied and was successful in securing the post in 2013; she was 'interested in anything that with people who are seen to be sitting outside of mainstream...' (J19, 28th June 2016. Interviewed by SN).

She joined an organisation with over sixty staff and heavily reliant on the Council's funding for homeless services, although it did have some other small pots of money for advice and support. The organisation operated in a particular space, working together with other organisations who were able to offer 'wrap around' support to homeless people.

'We provide accommodation and support. That in no way covers the whole needs of the person that we're working with'. 'So we would effectively look to broker that support, in around the core of that person: around drug and alcohol support; around sexual health support; around a whole range of issues. So we would tend our garden...and have visitors into that garden who had got particular specialisms that we didn't have.' (J19)

She clarifies further:

'...we were working with maybe fifteen, twenty, twenty-five, thirty other organisations in order to enable that person to achieve what it was they needed to achieve in order to return back to a settled life.' (J19)

For over twenty years, MTVL2 delivered a service on behalf of the Council and J19 noted that after 2010, the Council sought to recover the funding it was losing elsewhere by making efficiencies through its contracting. Many of those organisations it was working with had to find savings of their own.

'...there was a distinct and marked change in what people were and weren't willing to do in terms of collaboration. Because they were having to make savings, that meant that you've got a huge swathe of services dropping off because the funding was reducing therefore they couldn't have been able to do it.' (J19)

J19 observed that the flexibility and willingness to 'go those extra miles' was no longer in evidence. A service review followed and the Council revisited the funding it gave to organisations such as MTVL2. The Council re-set and reduced the contract which would have to include additional services, and after consultation put it out to tender. In short, MTVL2 was unsuccessful.

J19 had realised that the organisation needed to shift the way it supported homeless people, and move away from the traditional approach it had taken

for years. However, if it was to completely redesign its services to give better support, it would have to fund it. This was not possible through the Council so quite early on under J19's stewardship, the organisation secured lending from a bank which would, with the substantial reserves it already had, be invested in properties across the town. The organisation was shifting from a hostel approach to helping those become independent.

J19 wanted to the organisation to be able to house anyone who was homeless and could be supported through independent living, which meant that a lot more capital would need to be raised. She brought in private investors and a local partner who believed in the work MTVL2 was doing.

'...specific local people who are property owners and investors in (names place), that in working with us, who are interested in getting involved in developing this model of community provision for homeless people alongside us.' (J19)

They worked on a number of potential income streams including selling a particularly related product out of MTVL2, and recycling old ones bought by retailers, and where that product that can't get recycled turned into something new. All money from its new trading arms 'goes back into ending homelessness'.

During other interviews, participants picked out the organisation as one that had adapted and changed, and was now becoming a sustainable model without it ever having to move away from its original vision. They also stated the foresight and the vision of its director was a key factor in taking the organisation to the next level.

'I would call J19, a key influencer in my kind of PR parlance, if you like. Somebody who's taken it by the scruff of the neck, and said 'hang on a second, this isn't working. Let's change it, and let's change it for the

better. And let's do it collaboratively as well'. And in an innovative and relevant, and I think that's a key word - relevant way.' (K10)

Whilst the organisation continues to face new challenges today, it has not only survived, but thrived and become a model of good practice for those who know it.